

£28m subsidy to win £115m Polish ships order

The Government gave a subsidy of £28m to gain the order to build 24 ships for Poland at a cost of £115m, Mr Varley, Secretary of State for Industry, told the Commons yesterday. He said it had warded off disaster for the British shipbuilding industry.

Tories say Britain was 'taken to cleaners'

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr Varley, Secretary of State for Industry, confirmed in the Commons last night that the Government gave a £28m subsidy to gain the order to build 24 ships for Poland at a cost of £115m.

After weeks of pressure from in and outside Parliament to disclose details, he told MPs that the order had warded off disaster for the British shipbuilding industry but had not yet provided the cure. It was achieved when shipbuilders around the world were fighting to stave off collapse.

A Conservative "censure" of the Government over the matter, on a motion to reduce Mr Varley's salary by half, was rejected by 295 votes to 245, a government majority of 49.

At the start of the debate on the order, Mr Varley told MPs that the state-owned British Shipbuilders would provide finance to a joint Polish-British company through a £65m loan raised from a consortium of banks without government guarantee. He said export credit it was not provided through public funds but was borrowed on the commercial market.

There was also a guarantee by the Export Credits Guarantee Department, but that was a normal part of any export transaction. It was not more than 70 per cent of the export price.

The arrangement provided for the ships to be sold by British Shipbuilders to a company to be established in Poland, which would be wholly owned by the Polish Shipbuilding Company, PZM. The company would charter the ships to PZM for periods of 13 to 15 years.

As charges and countercharges under the Commons, Mr Nott, Conservative spokesman on trade, accused the Prime Minister of being willing for the sake of the love of the Labour Party to sell down the river. He said that the Conservatives were trying to wreck the agreement were met with opposition from the Government was being taken to the Polish cleaners.

Mr Michael Grylls, Tory MP for Surrey, North-west, said it was supreme folly to

Measures to save energy introduced by Mr Benn

By Edward Townsend

Important energy conservation measures covering the next decade, which will cost £321m in the first four years, were announced yesterday by Mr Benn, Secretary of State for Energy.

The Government clearly expects its initiative to encourage private industry and commerce as well as householders to increase energy-saving and that, coupled with the new government plan, could save the nation about £700m a year by the end of the 10 years.

Mr Benn outlined the 11-point programme in the Commons, emphasising that to achieve the potential savings in fuel "will depend in large part on how far the private sector matches the steps we have embarked on in the public sector. Higher energy prices make conservation good sense for everyone."

Among the measures, which will provide new jobs for the building trades, are better insulation for more than two million council houses; better heating systems in schools and colleges; the consideration of new building regulations; discussions with the motor industry to find ways of raising car mileage for each gallon of petrol; and the formation of an energy conservation division within the Department of Energy.

Mr Benn said that the total to be spent in the next four years £166m would be an additional allocation of public money for energy conservation, £33m would come from the department's present programme, and £56m would represent reinvestment of funds saved during the first four years.

Present policies, he said, had contributed to energy savings worth an estimated £2,000m over the past four years. The new measures would involve extra public spending of about £55m in 1978-79, rising to about £80m a year in the next three years.

The Property Services Agency is to increase its spending on the state's civil service, he said, to £5m a year, with a total of £25m being spent on insulation and heating controls in National Health Service buildings.

Education buildings will get £10m in the coming year, and £20m a year for the next three years for a similar programme; local authorities will get up to £7m a year for energy saving schemes in buildings other than schools, flats and houses.

The council house scheme will cost £22.5m a year for the next four years. The spending will be eligible for government and housing subsidies.

Information and advisory services are to be set up and a campaign is to be launched to persuade motorists to maintain their cars and drive them more economically.

Energy saving measures have not been ruled out, such as the possibility of tax incentives. The option would be to link car excise licence charges to engine capacity.

Talks have begun with the motor industry on manufacturing more efficient cars. Mr Benn said that the starting point for the discussions was a target of 35 miles a gallon.

Parliamentary report, page 8



Lunch at Windsor: The Queen is flanked by Mr Callaghan and President Giscard d'Estaing at Windsor Castle yesterday when the two statesmen had lunch before beginning their summit meeting at Chequers.

Those talks will continue today, the last day of the French President's visit. Apart from a review of international and European Community topics, the two leaders discussed possible Anglo-French cooperation on a new airliner during their two and a half hour talks. A 150-seat medium range aircraft has been under examination.

The president was met at Heathrow by Mr and Mrs Callaghan and they then flew by helicopter to Windsor Castle for the luncheon. The Queen met them at the main door.

Last night, Mr Barre, the French Prime Minister, arrived to join the talks and attend a dinner Mr Callaghan gave for

the French leader. The French Prime Minister was driven straight to Chequers from his private aircraft. He made no statement on his arrival.

M. Louis de Guiringaud, the French Foreign Minister, and Dr Owen, the Foreign Secretary, also attended part of the meeting, which is the second in a series agreed between the two leaders last June.

Aerospace warning, page 16

Jockey club elects its first woman members

By Annabel Ferriman

The Jockey Club, an all-male preserve since its foundation in 1752, elected three women members yesterday. The club, which controls racing in Britain, took the decision at its winter meeting in London.

Although it has never had any rule to exclude women, no woman has been proposed and seconded before. The three women chosen are Lady Halifax, Mrs Evelyn Hastings and Mrs Helen Johnson Houghton.

Lady Halifax owned until last year the Swynford Paddocks Stud at Newmarket. She is on the management committee of the National Stud, a past chairman of the Thoroughbred Breeders' Association and was one of the first women to be appointed a local steward.

Mrs Evelyn Hastings, a half-sister of Lady Halifax, is a successful breeder, a council member of the Thoroughbred Breeders' Association and a council member of the Racecourse Owners' Association. Mrs Johnson Houghton raised the winners of 241 flat races, including (unofficially) Gilles de Retz, the 1956 winner of the Two Thousand Guineas.

Mr Simon, secretary, secretary to the Jockey Club, said yesterday that the time was right for the election of women to membership. When Lord Howard de Walden took office as senior steward about 18 months ago he was determined that the question should be considered.

The subject had been debated for the past year. Mr Westwood, the club's secretary, said the tradition had been broken other women would be proposed at future elections.

The club's 103 members are responsible for electing stewards to administer and control the rules and discipline of racing. Women will now be eligible for election to those posts.

The Lady Jockeys' Association, yesterday welcomed the news as a progressive step.

Women were given the right to hold licences as trainers in the flat, and to ride as professionals in 1975. Last April Miss Charlotte Brew became the first woman to ride in the Grand National.

Parliamentary report, page 8

Nato secrets among at least 1,000 'betrayed by Bonn spy ring'

From Patricia Clough
Bonn, Dec 12

Vital and wide-ranging West German and Nato military secrets are believed to have been passed to East Germany in what is regarded as one of the biggest military espionage cases in West German history.

The Defence Ministry confirmed today that more than 1,000 of its top secret documents appear to have been photographed and smuggled to East Berlin.

The documents will have given the Warsaw Pact countries comprehensive information about the structure and state of the West German armed forces, their future plans, their crisis and stand-by arrangements and their own knowledge of the state of the Warsaw Pact forces.

About one-fifth of the documents concern Nato and include evaluations of Nato's secret "Winter" general staff exercise in 1975. Much concerns Nato logistics, including its emergency fuel plans and documents and regulations on armaments.

The dimensions of the betrayal are laid down in reports to the Defence Ministry by the federal prosecutor's office on the outcome of investigations into the activities of three members of the Defence Ministry staff arrested in July last year.

Details of the reports were published by the *Frankfurter Allgemeine Zeitung* today and were confirmed by the Defence Ministry and the federal prosecutor's office as basically correct.

Kurt Reibmann, the federal prosecutor, said the affair had done more damage from the military point of view than another recent spy scandal, that of Herr Günter Dillmann, personal adviser to Herr Willy Brandt, the former Chancellor. The discovery that Herr Dillmann was an East German agent led to Herr Brandt's resignation and a 13-year jail sentence for Herr Dillmann.

Dr Reibmann said that "serious things" including state secrets, had been betrayed. He did not elaborate.

The Defence Ministry described the case as "serious" and a spokesman said that according to investigations so far, it "seems to be one of the most serious ever to affect the Bundeswehr (armed forces)".

A special commission has been set up in the Defence Ministry to evaluate the consequences.

Dr Manfred Würner, the chairman of the parliamentary defence committee, called on Herr Georg Leber, the Defence Minister, to report fully on the case at a specially convened meeting of the committee on Wednesday.

Spokesmen for the opposition Christian Democratic Party described the affair as "unparalleled" and said that if the report was true it should have consequences "in the top ranks of the Government".

The principal figure in the affair appears to be Frau

Continued on page 5, col 1

Murder of journalist 'political'

Cairo, Dec 12—All passengers who arrived in Cairo on the same aircraft from Amman as the murdered British journalist Mr David Holden, the chief foreign correspondent of the *Sunday Times*, have been barred from leaving Egypt while police investigate the case, police sources said.

Mr Holden, aged 53, was found dead last Wednesday morning about six hours after arriving from the Jordanian capital. He had been shot in the back.

The sources said that police are working on several theories, but think Mr Holden was murdered for political reasons. Police believe he had been somewhere else and his body taken to where it was found on the fringe of the desert in Nasr City, a suburb of Cairo. No blood was found where the body was discovered.

The sources said it had been established that Mr Holden arrived at Cairo airport at 11 pm last Tuesday, and left about one and a half hours later. He was found dead at 5 am. Taxis and private cars leaving the airport are checked by police who note the vehicle's number, destination and time of movement.

It has been established that one car left the airport carrying three foreigners, but only two were in it when it arrived at the Hilton Hotel. Police have arrested all drivers who said they were going to the Hilton, but did not show up.—Reuter.

Captain Phillips to leave the Army for farming

Captain Mark Phillips is to leave the Army next spring, Buckingham Palace said yesterday. He will farm at Gatcombe Park, Gloucestershire, which the Queen bought for him and Princess Anne 18 months ago, and which they moved into with their baby son, Peter, three weeks ago.

There is 600 acres of land at Gatcombe Park and a further 600 acres at Aston Farm which adjoins it and which the Queen bought in October.

Mr Ronald Allison, the Queen's press secretary, said: "There are no plans to develop a riding school or stud at Gatcombe Park in the foreseeable future."

The farm manager there will help Captain Phillips farm the mixed farms, which grow wheat and barley and have beef and dairy cattle. Captain Phillips will take a one-year farming course at the Royal Agricultural College, Cirencester, from next October.

Captain Phillips's father said yesterday that he thought his son felt there was not much future for him in the Army. As the husband of Princess Anne, Captain Phillips is usually barred from such places as Northern Ireland and without front-line experience promotion prospects are limited.

Parliamentary report, page 8

Lady Spencer-Churchill dies suddenly, aged 92

Lady Spencer-Churchill, widow of Sir Winston, died London yesterday. She was 92.

Her grandson, Mr Winston Churchill, MP, said she suffered a heart attack while having lunch with her secretary, Miss Nona Chapman, in the flat in Princes Gate, Hyde Park, where she had lived since Sir Winston died.

Mr Churchill said: "Lady Spencer-Churchill died peacefully. The funeral will be private, and a memorial service will be held in the new year."

Buckingham Palace said the Queen had sent a message of condolence to the relatives.

Mr Churchill said his grandmother had an operation early in the summer, after spending some weeks in hospital with abdominal trouble. "But she made a remarkable recovery. In the weeks that followed she was well and strong, and was up and about. She had been looking forward to a drive in Hyde Park yesterday. This was very sudden."

Lady Spencer-Churchill's daughter, Sarah Lady Anne, cancelled a visit to an exhibition of her own paintings in London after hearing the news.

The exhibition opened at a friend's home in St John's Wood. Her friend said: "She broke down on the telephone after telling me not to sell any more copies of the lithograph called 'The Moon Goddess'."

which is an image of her mother."

Lady Spencer-Churchill had to sell family treasures, including paintings by Sir Winston, earlier this year to pay rent and nursing fees.

The Prime Minister said last night that Lady Spencer-Churchill was the perfect partner for Sir Winston. "Her character, dignity and charm made her greatly beloved."

Mrs Thatcher, Leader of the Opposition, said: "It was with great sorrow that we heard of the death of Lady Churchill. Sir Winston was the first to acknowledge how much he owed to her never failing support. Their partnership was legendary the world over. She upheld everything we hold most dear."

Lord Thorneycroft, chairman of the Conservative Party, said Lady Spencer-Churchill was a woman of life would be saddened. She made her own outstanding contributions to the life of the nation in both war and peace. She was a good and gracious lady."

Sir Evelyn Shuckburgh, chairman of the British Red Cross Society, paid tribute to her work during the Second World War as head of the Red Cross Aid to Russia Fund, which raised £3m for medical supplies.

Leading article, page 17
Obituary, page 19

Cadbury can raise price of cocoa by half

By Hugh Clayton

Cadbury is to be allowed to raise the price of cocoa by half even though the company is covered by a freeze imposed by the Price Commission. It is also to charge extra for drinking chocolate, jellies and chocolate biscuits. The company has won the first interim price rise awarded on food since the commission changed its rules and its chairman in the summer.

A pound tin of cocoa will rise from £1.29 to £1.95. The last rise was in July, when it sold for £1.01, so that its price will have almost doubled in less than six months. Raw materials account for more than two thirds of the cost of cocoa products and have almost quadrupled in price in two years.

A commission official said: "The commission has allowed an overall average weighted increase of 7.42 per cent over the range as originally notified by the company." Some Cadbury products, such as jam, marmalade and Smash instant mash, are not affected.

Greenwood is England's new manager

Mr Ron Greenwood has been appointed manager of England's football team. He succeeds Mr Don Revie on a permanent basis until July 1980. Mr Greenwood, aged 55, formerly general manager of West Ham United, has been England's caretaker-manager for the past four months. He will receive an annual salary of £25,000.

Profile, page 2; Report, page 20

Firemen poised to reject deal

After meetings of regional committees firemen seemed poised to reject the employers' final offer as a basis for calling off their strike. Brigades in Hertfordshire and Surrey called for moves to end the strike but regional committees in the North-west, North-east and Scotland rejected the proposed deal. The rest of the firemen's union's 14 regional committees meet today.

Page 2

High St sales lagging

Christmas shopping started late this year, with Government figures showing that retail sales fell back last month, in contrast to the usual November boom. There is some evidence, however, that trade in the High Street started to improve during the last week in November.

Page 23

1,500 steel jobs to go

British Steel Corporation has made a significant breakthrough in its plans to close down unprofitable sectors to help reduce annual losses which are exceeding more than £500m. The unions have agreed to the closure of Hartlepool steelworks with the loss of 1,500 jobs.

Page 23

Unilever buying US group for £260m

Unilever has announced that it is pressing ahead with a £260m bid for National Starch and Chemical Corporation, of America, in one of the largest-ever cash deals by a British-based company. Terms of the acquisition have been approved by the board of National Starch.

Page 23

Tories aid ministers

The Conservatives gave the Government an extra half day for discussion of the European Assembly Bill in an attempt to foil the anti-Marketisers of all parties who would like to scrap the Bill.

Page 2

Schools' policy: A Conservative approach to comprehensive schools was launched by Mr St John-Stevens, who described his party as the all-in school's best friend.

Page 3

Brussels: Mr Silkin tells other EEC agricultural ministers that there is a vital need to restrain farmers' prices.

Page 4

Latin America: A six-page Special Report on banking and finance.

Page 19-14

Home News	2-4	Court	15	TV & Radio	31
European News	4-5	Crossword	32	Theatres, etc	6, 7
Overseas News	5-6	Diary	33	25 Years Ago	19
Advertisements	15	Engagements	16	Universities	19
Arts	7	Features	15, 16	Snow Report	2
Business	22-27	Law Report	18	Sport	20, 21
Church	19	Letters	17, 24	VMs	19

BELL'S SCOTCH WHISKY

the Scotch
of the year
and
every year
since 1825



HOME NEWS

Inquiry into working of the Prevention of Terrorism Act

By Stewart Tandler
Home Affairs Reporter

Mr Rees, the Home Secretary, has capitulated to critics of the Prevention of Terrorism Act, 1974, and agreed to hold an inquiry into the efficiency of the Act and its effects on civil liberties.

Announcing the inquiry yesterday, he made it clear that he has no intention of getting the Act repealed while violence by the Provisional IRA continues. In a Commons written reply Mr Rees said he had promised last March, when the Act was being renewed, as it has to be every 12 months, to consider an examination of it.

He now felt the time was ripe and had appointed Lord Shackleton, the former Labour leader in the Lords, to conduct the inquiry. The brief covers not only the mainland but also Northern Ireland, where the question of the use of the Act has become bound up with allegations of police brutality.

It was suggested in some quarters yesterday that the Northern Ireland Office had at one stage resisted the extension of the inquiry into Northern Ireland but had been forced to accept it. The Home Office and the Northern Ireland Office denied that there had been any difference of opinion over Lord Shackleton's brief.

He will find before him an Act that was rushed through Parliament in the autumn of

Pit swing in favour of incentive schemes

By Ronald Kershaw
Northern Industrial Correspondent

A swing in favour of incentive bonus schemes showed yesterday in coalfields throughout the Midlands and the North despite the national ballot result which had a majority against such schemes.

The most surprising outcome was in North Derbyshire, where the area council decided to seek an area incentive agreement. In the national ballot about 65 per cent of north Derbyshire miners opposed incentives.

In Yorkshire, where Mr Arthur Scargill, the Yorkshire miners' president, campaigned against incentives, the news was that 4,000 miners at six collieries had decided to seek an incentive scheme. No observations were forthcoming from Mr Scargill.

Leaders of the National Union of Mineworkers, at Mansfield, Nottinghamshire, formally requested the introduction of incentive bonus schemes. South Derbyshire and Leicestershire declared in favour of incentives and Staffordshire miners said they wanted to operate individual pit-by-pit incentive schemes.

Durham and Northumberland miners will meet the National Coal Board tomorrow to discuss "the nuts and bolts" of incentive schemes. Work-measurements have started in south Derbyshire, Nottinghamshire and Leicestershire pits, so that retrospective payments may be made to miners.

In Yorkshire, Glasshoughton, Savile, Sharlston, Newmillerdam, Lofthouse and Newmarket Silkstone have indicated that they want incentive schemes. Development teams in other Yorkshire pits as yet unnamed have expressed a desire for bonuses.

Kent action: The Kent area executive of the NUM decided unanimously yesterday to seek a High Court injunction against the national executive over allowing area productivity deals (the Press Association reports).

Scottish miners' delegates yesterday voted 19 to seven in favour of a resolution condemning the national executive.

Man in the news: Ron Greenwood, English football's new leader

Technician of international spirit takes over

By Norman Fox
Football Correspondent

Ron Greenwood, whose appointment as manager of England's football team until 1980 was announced yesterday, was not always an obvious choice. In his 12 years as manager of West Ham United he was respected rather than known.

Fellow managers thought of him as the principal of an educational establishment, and some players, and certainly the press, sometimes felt he was keeping them at the back of the class. He was, most people said, a very technical man.

In the few months that he spent as temporary manager of England until his full appointment yesterday he broke through several barriers, not least that between himself and the press.

On one recent chaotic afternoon at an Italian airport that was bursting with passengers all seemingly on stand-by for London, he finally admitted realising how much was

involved in the work of the press. From that moment the relationship improved and those of us who listen to his sometimes obscure lectures now try to remember that he once said: "Soccer is a simple game but it demands an awful lot of hard work to make it simple."

He is not, and never will be, one of the boys, currying football's ills by courtesy of hotel room service in the early hours after matches. He prefers dry light and green grass. "My happiest moments are sitting on the touchline watching players carry out prearranged tactical moves," he said, but his ideal footballer is a master of basics who improvises like a jazz musician.

At 55 he is late upon the international scene, though in many ways he has never been anything but international in spirit, even if his only playing cap was for the England B team. He has travelled to the Continent at every opportunity and there he studies teams that, he says, add a different dimension to the English game.

His own football career was mostly within the bounds of London. He was born in Burnley and moved to Wembley when he was 10. After joining the RAF he was "discovered" by Chelsea, with whom he became a fairly good centre half with a characteristic eye for construction. Apart from a period at Bradford Park Avenue, he spent the rest of his career at Brentford, Chelsea and Fulham.

His link with West Ham was not formed until 1961, after coaching for the FA, Oxford University, Arsenal and the England under-23 team.

He attempted full-time management at Eastbourne, beginning at the bottom and in a blaze of defeats, but he liked the South Coast and still lives at Brighton. He has a tradition of building on its own products, suited his outlook and, despite the club's limited resources, he took it to victory in the FA Cup of 1964 and the European

Retrial for stuntman over plea bargain

By Craig Seton

A retrial was ordered by the Court of Appeal yesterday for a man serving a sentence of two years and nine months, who was involved in a plea-bargaining case. The court held that after a meeting between his counsel and the judge at his trial the man pleaded guilty under pressure, expecting to gain a non-custodial sentence.

Lord Justice Waller, sitting with Mr Justice Talbot and Mr Justice Mansfield, quashed the conviction and set aside the sentence imposed at the trial. The man, Michael ("Rocky") Ryan, aged 37, a former film stuntman, who had been charged with damage to a car and assault on two assistants at a London store.

Ordering high priority for the retrial at Middlesex Crown Court, Lord Justice Waller said the case showed the dangers involved in seeing a judge before sentencing and his indicating what sentence he might impose.

Mr Ryan's appeal was sponsored by the National Council for Civil Liberties. It was the third case in six days in which the Court of Appeal has criticised plea-bargaining.

The Court said that Mr Ryan, of Neasden, London, would be remanded and the issue of bail adjourned pending inquiries on the speed with which the retrial could take place.

Mr Peter Thornton, QC, for Mr Ryan, said his client had served 15 months of the sentence. He submitted that Mr Ryan's plea of guilty was a nullity, as he had not had a free choice in changing his pleas from not guilty.

The court was told that Mr Ryan pleaded guilty on September 6 last year after a meeting between Mr Brian Calwell, the deputy judge, and Mr David Farrington, his counsel. After two adjournments involving six medical reports he was told that the prosecution of the plea was "in the public interest."

Lord Justice Waller said that on September 6 Mr Ryan arrived in court intending to plead not guilty and instructed his solicitor and counsel accordingly.

Counsel and the judge met and afterwards Mr Ryan changed his plea to guilty.

Lord Justice Waller said the court was satisfied that Mr Ryan intended to plead not guilty, that he feared a custodial sentence, and that his counsel indicated, from his discussion with the judge, that if he pleaded guilty there would not be a custodial sentence. It was clear that the judge did not have in his mind all the relevant information before passing sentence.

It was not a case where the deputy judge was putting on pressure. It was done with the best of motives.

Tories help ministers on Euro-Bill

By Fred Emery
Political Editor

The Government's attempt to convert by Christmas the method of election to the European Assembly was resumed in the Commons tonight in a debate there is so little time before the House rises on Friday for the holiday that the dish should be pressure-cooked by early tomorrow.

At Westminster the betting is still that it will turn out to be traditional fare, with the House substituting the first-past-the-post method for the Bill's exotic recipe: the regional list system of proportional representation.

Lobbies for, delaying tactics against, and other stratagems were in evidence as the debate resumed yesterday evening.

Such was the Conservatives' need to prove their Europeanism that only a few minutes after castigating the Government over the Polish ship deal they had contributed to the Government half a day more for discussion, the better to foil the anti-Marten strategy of those who would like to scrap the Bill.

Last night, the Government first had to watch the committee-stage debate continue over clause one of the Bill before Mr Rees, Home Secretary, moved that clause three should be considered before clause two.

Debate was thereupon planned on that motion. Only with its successful passage, not expected before early today, could the Commons debate clause three and amendments to it, at the start of business today.

Clause three provides for electing the British European Assembly members (whose number is specified as 81 in clause two) by the proportional representation system set out in clause four, part two, namely the regional list system.

However, clause three, section two, would authorize the House, by subsequent resolution, to replace the regional list for the simple majority system in Great Britain, leaving Northern Ireland with its present proportional representation system, the distinct, single transferable vote.

Minor amendments have been tabled so far, variously proposing to alter clause three to make the traditional list mandatory.

The Government, which has recommended the PR system of election by introducing in the Bill, is like the Conservatives, supposedly permitting a free vote.

The Liberals, for whom PR is a just cause, are hoping that Mr Callaghan has made clear that he will disapprove strongly if any of the hundred odd "payroll" votes of ministers and junior ministers vote against PR.

But there is little confidence anywhere among the PR advocates that it will be carried. On the opposition side, senior Conservatives believe that their members who favour third of the strength of 281 MPs. However, several members of the shadow Cabinet are said to be certain to vote for PR.

Our Political Correspondent writes: Mr Heath and Lord Home of the Hirsal, tried last night to persuade Conservative MPs, against the official party line, that the best way of ensuring that the European direct elections are held on time is to vote in favour of PR in the Commons.

Mr Heath, speaking at a private meeting of MPs, said that, read with the choice of two had systems of election, "our main task is to maintain our position in Europe as a European party."

That could be done only by supporting the regional list system.

Lord Home said the regional list system offered the best chance of meeting the deadline, though the choices were not to his liking.

Most of the speakers, however, favoured the first-past-the-post system.

Collapse of the EEC is predicted

By George Clark
Political Correspondent

Five Tory MPs and five pro-European candidates claiming to speak for a majority of Conservatives, yesterday published a pamphlet rejecting the idea of a European federal super-state and proposing a new kind of "community" in which nations would co-operate.

Its author, a leading Conservative anti-Marten, is Mr Neil Marten, MP for Banbury. He insisted at a press conference yesterday that he, and those who thought like him, wanted "a council of Europe" and believed that Mrs Thatcher was moving towards that view.

"Under the weight of the accession of Greece, Spain, Portugal, and possibly Turkey, the European Market is likely to collapse," Mr Marten states in the booklet. "Disillusionment, disruption and bitterness will follow, causing great damage to the much-needed unity within Europe."

He says a break should be made with the now outdated concept of the Treaty of Rome. "It should be revised on the basis of free cooperation between nation states rather than the bureaucratic centralization and federal tendencies which are the hallmark of the Common Market today."

Membership would then be possible for those countries which cannot join the Common Market for reasons of political neutrality, such as Sweden, Switzerland and Austria, and for Norway, which did not join primarily because of the federal and sovereignty implications.

Mr Marten and his colleagues propose that the European Parliament should be merged with the Council of Europe and that the new assembly should have a "useful consultative role, working in parallel with the council of ministers."

All MPs who had allowed their names to go forward to the Conservative European list of candidates should announce that fact now to their constituents.

Those who cooperated with Mr Marten in preparing the pamphlet included Mr Bell, MP for Beaconsfield; Mr Biffen, MP for Oswestry; Mr Body, MP for Holland with Boston and Mr Clark Hutchison, MP for Edinburgh, South.

Mr Bell said: "We are only withdrawing from the specific Heath attitude to European cooperation. We have always supported cooperation: it is the supranational element that has stuck in people's throats. We are of the same mind as nine tenths of the Conservative Party on this issue."

Conceding that Mr Marten, MP (22 Fulham High Street, London, SW6; 100 plus postage).

Parliamentary report, page 8
Leading article, page 17

Republican move to deprive priest of prize fails

From Christopher Walker
Dublin

Efforts by hard-line republicans to force Father Michael MacGreal, a Dublin-based Jesuit sociologist, to hand back his share of the £15,000 Christopher Ewart-Biggs Memorial Prize have been defeated.

An annual award, established to encourage Anglo-Irish understanding after last year's murder of the former British Ambassador, was presented jointly to Father MacGreal for his book *Franchise and Tolerance in Ireland*.

Father MacGreal's acceptance of the award infuriated some members of the influential Gaelic League. But a statement issued by the league yesterday disclosed that attempts to force his resignation from the league's national executive had been dropped.

Youth shot dead: The Army announced yesterday that the circumstances in which Mr Colin McNair, aged 18, a Roman Catholic from the Craggan estate, was shot dead yesterday in William Street, Dublin, the capital's Bogside district of Londonderry.

The Army said only that soldiers had been involved in a shooting and that no details would be issued until a police inquiry had been completed.

Retirement recalls great days of LSE

By Peter Hennessy

There is a certain kind of strong-willed woman in public life who gets her way through a mixture of charm, force and pure terror. The graduate school of the London School of Economics and Political Science has been dominated by such a woman for the past 10 years in the person of Dr Anne Bohm.

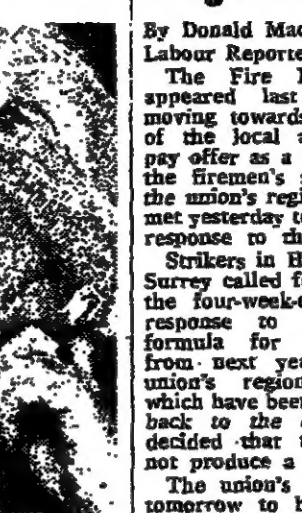
Last night the school held a dinner to mark her retirement as secretary of the graduate school at the end of the month. There to honour her were great names from the past like Lord Robbins and Sir Roy Allen and the present director, Professor Ralf Dahrendorf, who was the host.

Professor Dahrendorf is just one of many famous men Dr Bohm dangled on her knee metaphorically speaking, during their intellectual adolescence. Others including the United Nations Secretary-General, Kofi Annan, and the late Lord Rennie of Kildare, a refugee from Hitler's Germany, where she took her doctorate in Berlin in 1935, first joined the LSE during its wartime evacuation in Cambridge. She became assistant to the late Lord Rennie, then dean of the graduate school, and remembers the present patriarch of the radical right, Professor Friedrich von Hayek, striding around the city in his riding breeches between lectures.

The intimacy of the place has passed, she says, impossible to sustain with a graduate population of 1,500. The one-year MSc course, this thirst for greater knowledge, has been replaced by the old cliche, whose passing she regrets.

There is a touch of nostalgia about her during the last weeks in office. She feels she has witnessed the great days of the school, the era of Robbins, Keynes and Keynes, but "hopes and prayers" they will return.

From January 1, as LSE's external relations consultant, she will be off, trying to assist the renaissance, rushing round the world raising money and twisting great men around her little finger. As always, they will love every minute of it.



Dr Anne Bohm: Thirty years with the LSE.

Firemen heading for rejection of deal

By Donald MacIntyre
Labour Reporter

The Fire Brigades Union appeared last night to be moving towards firm rejection of the local authorities' new pay offer as a basis for ending the firemen's strike. Many of the union's regional committees met yesterday to decide on their response to the offer.

Strikers in Hertfordshire and Surrey called for a vote on the four-week-old stoppage in response to the employers' formula for regulating pay from next year. But of the union's regional committees, which have been asked to report back to the executive, three decided that the offer could not produce a return to work.

The union's executive meets tomorrow to hear the replies from the regions. The employers' proposals, which would link firemen's earnings permanently to those of skilled manual workers from November, 1979.

The north-eastern and the Scottish regional committees decisively rejected the offer, which is conditional on a return to work. The north-western committee also rejected it, with the qualification that the pay formula might be acceptable in future, though not as a basis for ending the strike.

The firemen's reluctance to accept an offer that gives no more than 10 per cent as an immediate rise has been increased by the insertion in the local authorities' proposals of three further conditions.

They are that no action should be taken against firemen who ignored the strike call; that duties such as fire protection visits, which the union regard as "good-will" functions, should be tied to contracts of employment; and that the shortening of the working week should be conditional on improved productivity.

Mr Richard Foggie, the union's assistant general secretary, said last night that the men must have looked with more interest at the pay formula "had these very restrictive and punitive conditions not been included." Early indications were that strikes will now go on until Christmas and perhaps into the new year.

Mr Mostyn (Moss) Evans, general secretary-elect of the Transport and General Workers' Union, advised firemen last night to accept their latest pay offer because of its long-term advantages. It could provide a formula upon which pay settlements in all industries could be based in the future, he told trade unionists at a seminar in Dunfermline.

Hospital evacuated: About 170 patients were evacuated from Wythenshawe Hospital, Manchester, early yesterday when fire broke out and smoke spread into wards (the Press Association reports). No one was hurt.

A fire, aged 15 from Dukinfield, Cheshire, was accused of Ashton-under-Lyne Juvenile Court yesterday of setting fire to a ward store room at Tameside General Hospital on Saturday. He was remanded.

Two people died in separate fires in the London area on Sunday night. Mr James Fitzgerald, aged 62, died in a house in Haydon Park Road, Shepherd's Bush, and Mr Gerald Ward, aged 92, died in a fire at The Grove, Cusdon, Surrey.

Housing subsidies 'bring little benefit to worst off'

By Our Planning Reporter

In a rare venture into the political arena, the Royal Town Planning Institute today calls on the Government to phase out housing subsidies. Changes in taxation, allied to increased rent rebates, would lead to greater equalities in public spending, it says.

Commenting on the recent housing policy review, the institute observes that subsidies have increased by 122 per cent in the past six years, compared with a 35 per cent increase in housing investment. The subsidy system is generally regressive, giving substantial benefits to the well-off, but very few to the worst-off.

The institute argues that rebates and allowances are denied access to adequate rented housing, since homelessness is a fact.

The private rented sector must form part of any debate on housing finance, it says, and its decline must be met by greater diversity in local authority allocation policies.

The institute also urges the Government either to underwrite mortgages or in some way to ensure that building societies fulfil "their full social obligations".

It says that the Housing Act 1974, which gave local authorities greater powers to assist industry, will be published on Thursday. Mr Shore, Secretary of State for the Environment, said yesterday. Among other things it will provide for 90 per cent loans for land purchase, further loans for site preparation, grants to assist with rents, and the declaration of industrial improvement areas.

The institute was speaking after a tour of the London docks, to which the Government has so far committed about £54m for urban renewal up to 1982.

Cities Bill, giving local authorities greater powers to assist industry, will be published on Thursday, Mr Shore, Secretary of State for the Environment, said yesterday. Among other things it will provide for 90 per cent loans for land purchase, further loans for site preparation, grants to assist with rents, and the declaration of industrial improvement areas.

Taxi-cab costs to be investigated

Taxi-cab services throughout Britain are being referred to the Price Commission.

The examination, including prices, costs and margins, will cover hackney carriages, those charged outside London are controlled by local authorities, and private-hire vehicle services, such as mini-cabs.

Lift strike lingers

The lift engineers' strike may not be over completely, although their union has officially ended the stoppage. Some of the five thousand strikers have decided to continue the strike unofficially.

Newsagents 'doing their best' despite disruption

By Our Labour Staff

The National Federation of Retail Newsagents said yesterday that its members were "doing their best to provide the traditional high standard of service" in spite of continuing disruption affecting publication of national newspapers.

A statement said that the recent "disruption" of supplies from Fleet Street was the result of only the latest of many disputes which had resulted in considerable loss of profits for newsagents.

The effect was most serious for smaller newsagents and those with widespread delivery rounds. "We ask the local reading public to bear with our difficulties in these difficult times."

"Although it is from your newspaper you expect to buy your favourite paper, please do not try to vent your wrath on him when it is not available. It is not his fault."

The federation said that if a publisher started printing late because of industrial action the newspaper often arrived too late to be delivered by news boys and girls who had to finish their rounds in time for school.

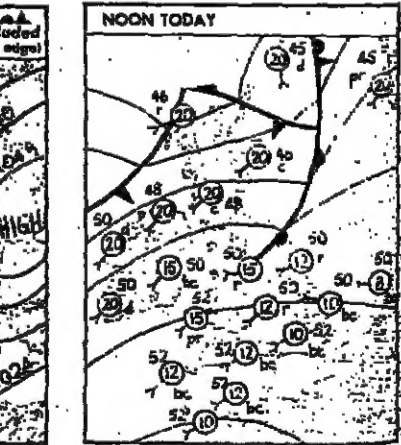
Protection urged for 321 threatened plants

Conservationists were urged yesterday to seek to protect 321 wild British plants in danger of extinction.

Scientists from the Government's biological records centre at Monks Wood have spent several years studying the 1,700 vascular or juicy-stemmed plants in Britain.

At a recent meeting, Dr Frank Perring and Miss Lynne Farrell, of the centre, have compiled the Red Data Book-Plants, published by the Society for the Promotion of the Conservation of the World Wildlife Fund (The Red Data Book-Plants). The Society for the Promotion of Nature Conservation, The Green, Nettleham, Lincs, LN25 5J.

Weather forecast and recordings



£250 fine over juror's dismissal

Mr Peter Rooney, a company managing director, who was said to have dismissed an employee because he was called for jury service, was fined £250 by Judge Hayman at Southwark Crown Court, London, yesterday for contempt of court.

The juror, an estimator for Lowthry Electrical Ltd, of Harold Wood, London, complained that he was dismissed for failing to turn up for work.

Accused matron ill

Mrs Helen Messer, the matron of a private nursing home who is due to appear in court next week accused of killing an elderly woman patient, was found unconscious yesterday and taken to hospital.

Pipeman of 1978

Mr Magnus Magnusson has been voted 1978 Pipeman of the year in a poll organized by the British Pipe Trade Association and Tobacco magazine.

New light cast on the star of Bethlehem

Continued from page 1

month, chi-yu, a po-hsing appeared at Mo-ku."

The dates given do not in fact exist, so there must have been some error on the part of the clerk. The Chinese hui-hsing can be accurately dated at 5 BC, and a likely interpretation of the Korean text gives the same result.

The sightings are not quite in the same part of the sky, being separated by about 20 degrees, but the article points out that the Korean records are likely to be inaccurate and have, in any case, evidently been copied from fuller documents that do not survive. But both positions agree with Matthew's statement that the star had been observed "in the east" at that time that the east of the night-sky would rise above the horizon about four hours and a half ahead of the Sun.

It seems that only astronomers in the Far East would have been interested, as those elsewhere, particularly in the Middle East, were far more concerned with the solar system

Protection urged for 321 threatened plants

Conservationists were urged yesterday to seek to protect 321 wild British plants in danger of extinction.

Scientists from the Government's biological records centre at Monks Wood have spent several years studying the 1,700 vascular or juicy-stemmed plants in Britain.

At a recent meeting, Dr Frank Perring and Miss Lynne Farrell, of the centre, have compiled the Red Data Book-Plants, published by the Society for the Promotion of the Conservation of the World Wildlife Fund (The Red Data Book-Plants). The Society for the Promotion of Nature Conservation, The Green, Nettleham, Lincs, LN25 5J.

Accused matron ill

Mrs Helen Messer, the matron of a private nursing home who is due to appear in court next week accused of killing an elderly woman patient, was found unconscious yesterday and taken to hospital.

Pipeman of 1978

Mr Magnus Magnusson has been voted 1978 Pipeman of the year in a poll organized by the British Pipe Trade Association and Tobacco magazine.

Better
safegua
for nuc
dump

Britain offi
suspended
after a legat

Crash hwy is
awarded £52

Correction

City loses

HOME NEWS

Better fire safeguards for nuclear dump

British Nuclear Fuels will probably take steps to improve fire-detection equipment at its dump for solid low-level contaminated waste at Drigg, Cumbria. The dump is near the company's Windscale works, where a fire on September 25 was extinguished in two hours by the works fire brigade.

Mr Roy Pilling, general manager, said yesterday that monitoring on and off the site had confirmed that no radiological hazard had arisen. Formal investigation into the cause of the fire had not been completed.

Mr John Doran, deputy general manager, said improved fire-detection equipment was being considered. "At present there are infra red detectors across the face of the tip, and we think we can get improved detectors to give better warning." That could be done at slight cost. A report on the matter had not yet been completed.

A press conference was called to discuss issues that had arisen at a recent meeting of the Windscale local liaison committee. The committee meets in private, and its effectiveness as a public watchdog was questioned at the public inquiry into the company's planning application for oxide-reprocessing at Windscale.

The report and recommendations of the inquiry inspector, Mr Justice Fackler, are expected soon. The committee intends to give early consideration to any changes that the report requires to its role.

"It would be appropriate to await publication of the inspector's report before taking any initiative," he would be saying, trying to anticipate what the inspector is going to say," Mr Pilling said.

Brixton officer suspended after allegations

By Our Home Affairs Reporter

A prison officer at Brixton has been suspended after allegations by a recently released prisoner that drugs, including cannabis and heroin, have been supplied to prisoners.

The officer was suspended last week after the former prisoner had talked to Scotland Yard's drug squad. It is alleged that considerable sums were paid for the deliveries and that staff were offered intercourse with young women who apply the drugs.

Police officers have interviewed staff, prisoners and two young women who met the suspended officer at a rendezvous watched by the police.

Brixton is a centre for prisoners on remand awaiting trial at courts in London.

Correction

The regional conferences being sponsored by the Personnel Services Council are concerned with their reports on residential care; not intermediate treatment, as stated on Friday.

City loses shoppers for lack of car parks

As this ill-finding month proceeds, Manchester retailers fear that there will be more evidence before Christmas of the city losing its place as one of Europe's foremost shopping centres.

Many traders believe that the planners of the past, who thought that shoppers could be persuaded to part company with their cars, are to blame for what they see as an increasingly serious decline in business. They say, failed to recognize the threat to the city centre of competition from neighbouring towns where provision for car parking is plentiful and cheap and where shopping has improved beyond anyone's earlier expectations during the past five or six years.

Mr Cyril Lloyd-Jones, president of the city's chamber of trade and manager of one of its biggest stores, says his organization has encountered disbelief among members and officials of both Manchester City Council and Greater Manchester County Council that the city really has been falling off, that the town has statistics to prove it.

His biggest hope is that the city council will at least introduce a "parking meter amnesty" for Saturday mornings time for the Christmas peak period. Manchester parking meters, which carry increasing charges the longer you are in the city centre and which are enforced by one of the most conscientious teams of parking wardens in Britain, remain operational until lunch-time on Saturdays.

Although comprehensive statistics are almost impossible to collect, Mr Lloyd-Jones says that confidential figures supplied by individual companies belonging to his organization show that retail trade in the centre of Manchester has increased only two and a half

The Moon cult, 2: Members in Britain number between 450 and 600

Converts sell pot plants, magazines or stationery

By Diana Parr

Is the Unification Church a fringe religion or a business network? It enjoys charitable status in Britain, registered under the names of the Sun Myung Moon Foundation and the Holy Spirit Association for the Unification of World Christianity. Its leader, or Messiah, controls an international business empire earning about £20m a year.

The Messiah, according to the teachings of this little-known but rapidly expanding sect, is already on Earth. The fact is, he is living in luxury. His organizations are multi-farious and have at least 77 churches named among them, two heavily right-wing newspapers, *News World* and *Rising Tide*.

Sun Myung Moon was born in Korea and has married twice. The movement of which he is leader is overly political in the United States and gave vigorous support to Richard Nixon in the aftermath of Watergate. Mr Moon claims 30,000 converts and 7,000 core members for his organizations, which include health, educational, cultural, and religious foundations, newspapers and magazines and a political wing, World Federation for Peace and Unification.

Numerically and politically the Unification Church in Britain is a pale shadow of its American counterpart. Its converts in this country number between 450 and 600, but all of them are full-time missionaries for the movement. The members work for Moon, selling magazines on the streets, or pot plants, or stationery through stores and stations, and they work hard.

Evidence from parents and former members indicates that the Moon converts work from 6.30 am until midnight if necessary. Their status as "volunteers" for the church means they do not pay national insurance, so members leaving the church would be without pension rights.

If the Unification Church can be called a religion, the man hours worked could be called "dedication". If it is a business empire such man hours worked must be called "exploitation". The mark-up on goods sold in the United States has been as much as 900 per cent in some instances.

Mr and Mrs X, of Sussex (name and address supplied), new in America in October to bring up their son, who was working for the "Moonies" in Boston.

The British boy had been invited for a weekend to the Unification Church centre in New Hampshire and then to join a workshop. His father said: "This is when the indoctrination started. He did street

scribing, and there would then be a need for selection on the basis of ability and aptitude. That, the party says, is not necessarily a bad thing; selection is an inevitable part of life.

All children should be taught in five basic areas: reading, writing, arithmetic, religious education and the arts. Competency in these subjects would then be tested by something like a basic school certificate, which bright children might take in junior schools, and the less able in secondary schools.

All children should continue to be taught those subjects and, in addition, science and a modern language until the age of 16.

Full-time attendance at school until 16 was not the best solution for all pupils. Some might be released at 15 to enable them to take a part-time apprenticeship with some time still spent at school or a further education college, or to permit them to continue their education in the Armed Services.

One of the first acts of a Conservative government would be to repeal the Education Act, 1976, to allow local authorities to choose the type of secondary school organization they wish. It would also set up an independent inquiry into the whole of secondary education.

Better schools for all. A Conservative Approach to the Problems of the Comprehensive School, by Norman St John-Stevens, MP (Conservative Political Centre, 32 Smith Square, London, SW1, 85p).

Leading article, page 17.

Backing for truant units

The General Teaching Council for Scotland yesterday backed a proposal for day units to be set up in Scotland for difficult pupils and persistent truants.

Under the proposal, made in August by an ad hoc committee of inquiry appointed by the Secretary of State for Scotland and headed by Professor Donald Mack, of Strathclyde University, the pupils would be picked up from home each day and taken

to the unit for education, assessment and treatment, with the aim of eventually returning them to their normal schools.

In its verdict on the report the council, which is the registration body for nearly 80,000 Scottish teachers, says the units could make a useful contribution. A number of them should be set up on an experimental basis, and they should be under the direction of a teacher, with teachers forming a significant proportion of the staff.

Regional report

John Chartres

Manchester

times (in cash terms and without allowance for inflation) in the past 10 years compared with five and sixfold increases in peripheral towns like Stockport and Bolton, where the shopping motorist is encouraged.

Departments of Employment figures show that jobs in retail distribution in the city centre declined from 21,500 in 1971 to 18,000 in 1975 and in the distributive trades generally from 38,000 to 29,000 in the same period.

Another set of figures produced by the chamber of trade shows that central Manchester has more than 1,000 sq ft of shopping space for every car park space, whereas Stockport has only 146 sq ft. Other towns, like Oldham, Wigan, Bury, Stockport and Bolton, which at one time were seldom regarded as real shopping magnets (apart from the special North country charm of their open-air markets) are now all better off on the basis of that sort of calculation than Manchester.

Manchester City Council has "noted" the matter, which was put forward at a joint meeting at the end of October by the chamber of trade and by Manchester Chamber of Commerce, one of the most influential in the world.

Manchester's policies on parking have been partly bedevilled by the failure to secure government financial support for the "Pic-Vic" tunnel scheme designed to link the city's two main railway stations, and upon which much of its

long-term transportation policy was based.

A smaller and more immediate difficulty is that two large multi-storey car parks associated with the £40m Arndale shopping centre, dominating the whole retail trade business in the city, will not be ready for the Christmas trade because of building delays. Some of the statistics provided by the chamber of trade are also being questioned because of the general decline of population within the boundaries of Manchester, a trend that is causing many large provincial urban areas.

An attempt has been made to help by imposing almost penal charges on all-day parkers on certain sites, with consequent cheap rates introduced instead for one or two-hour stays.

Mr Lloyd-Jones's chamber of trade is in something of a quandary in that it wants to campaign for improved car parking, but at the same time does not want to create the impression that Manchester is a difficult place in which to shop. The chamber recently published a half-page advertisement in the city's evening newspaper, which included a map and guide to car parking areas.

Manchester's other strategic disadvantage is that the North-west motorway system, acknowledged to be the best in Britain, takes motorists almost to the hearts of Bolton, Wigan and Stockport, but still ends several miles outside the centre of the big city. That is thought to be a major factor in the loss of business and local authorities from Plymouth to Aberdeen.



Mr Henry Masters, who gave estate to Moon cult.

selling and witnessing for long hours and hated it all. He got up at 6.30 am and there was no bed until after midnight. Then he slept on the floor.

He sold 20-cent candy for 52¢. He objected to this work, but the money did not buy, only the poor.

He added: "I believe my son was brainwashed, because although he did not believe the doctrine and did not like the work, he still could not leave. He has told us he did not have time to think for himself. He

was kept short of sleep, fasted frequently and worked hard."

A spokesman for the Unification Church, Mr Michael Marshall, public affairs director, denies the brainwashing charges. He says: "Brainwashing charges have twice been tested and rejected in American court cases. Judge Nelson in September, 1975, in the District of Columbia Superior Court, ruled that there was no evidence to suggest that the UC practised mind control, or indeed any methods of proselytizing that were substantially different from those of other religious organizations."

Street selling is only one way of fund raising for the Moon sect, which also receives donations, sometimes substantial, and property from believers.

The biggest gift of property in Britain is the estate of Stanton Fitzwarren, Wiltshire, which includes two farmhouses, 600 acres of farmland, a post office and a mill, and has been valued at £800,000. That gift to the church was made by Mr Henry Masters, who was the squire of the village, and his wife, Avril. The couple, in their fifties, are converts to the Moon cult.

Mrs Rosalind Mitchell was a member of the Unification Church for only two months.

Next: Teaching

Final shaft site for Selby coalfield in doubt after noise objection

From Our Correspondent

The proposed site for the fifth and final shaft for working the 1600m Selby coalfield, in North Yorkshire, may be in doubt after a report by the area's chief environmental health officer.

He recommends rejection of the chosen site, despite his own council's agreement in principle to it, on the ground that the noise would cause unacceptable annoyance and interference to people living near.

The officer, Mr Norman Buckle, of Selby District Council, says that if the site is approved the council, by supporting it now, may not be in a position to take possible future legal action against the coal board if noise exceeds permitted levels.

His views are to be discussed at a meeting of the council's coalfield committee today when the coal board's planning application is considered. The council's recommendation will be submitted to North Yorkshire County Council.

Mr Buckle's concern over the proposed shaft site, 46 acres at Whitmoor Cliffe, is shared by local parish councils, and 22 residents who live within half a mile of it have signed a petition objecting to it.

Opposition at this stage is bound to surprise the coal board, which, after concessions to the environment, was assured by a QC representing the district council at a public inquiry that no objections would be raised to the site.

Man shot on way to trial is set free

John O'Connell, a defendant in the Bank of America trial, who was shot on his way to court 18 months ago, was given a suspended jail sentence at the Central Criminal Court yesterday.

Mr Michael Worsley, for the prosecution, said Mr O'Connell, aged 42, a laundrette operator, of Church Vale, Finchley, London, was shot in the back of the legs in an alleyway by a man with a sawn-off shotgun in June last year. Judge Kenneth Hamilton, QC, said the shooting had the hallmark of the gangster.

"He was many months in hospital," Mr Worsley said. Medical staff tried to save his left leg, but in the end it had to be amputated. "So in a sense he has been punished more than anybody could be punished. He has lost more than money could buy."

Counsel said the shooting was still to some extent a mystery. No suspect had been arrested.

Mr O'Connell admitted conspiring to enter the Bank of America in Davies Street, between June 1 and October 28, 1974, as a trespasser to steal.

Mr William Hemmings, for the defence, said that at the original trial Mr O'Connell had wanted to say certain things that might have incriminated someone else. Several days before the bank trial some men tried to persuade him not to stand trial.

\$5,250 award to girl aged nine

Wendy Norris, aged nine, of Essex, Close, Walthamstow, London, who lost an eye when a stone caught in a grass cutter flew up and struck her, was awarded \$5,250 damages in the High Court yesterday.

She had not long started school when the accident happened in May, 1974, at the Edward Redhead School, Waltham Forest. The award was against the London borough of Waltham Forest.

In brief

Wage rise for hairdressers

Pay increases of between £2.50 and £4.50 a week for hairdressers were agreed by the industry's wages council yesterday. Charges to the customer are expected to rise by up to 15 per cent.

The pay increases exceed the 10 per cent guidelines but the National Hairdressers Association said the Government had no power to stop them because the wages council had statutory powers. A report by the Low Pay Unit yesterday said Britain's 135,000 hairdressers were the lowest paid workers in the country.

Picture-kisser freed

Mrs Ruth Olive Van Herpen-Crocker, of Andover Road, Newbury, Berkshire, who was said to have kissed a picture at the Oxford Museum of Modern Art and left lipstick stains on it, was given a conditional discharge by Oxford magistrates yesterday after admitting criminal damage.

Shoplifter fined

Mrs Hamidah Haron, aged 32, a Malaysian prison officer, was fined £200 with £20 costs at Marlborough Street Magistrates' Court, London, yesterday for stealing clothing valued at £107.33 from Debenhams' store, Oxford Street.

Cottage transfer

A fifteenth-century timber-framed cottage was recreated at Glatton, Cambridgeshire yesterday after being transferred from Little Barford, Bedfordshire, 19 miles away, where it was being damaged by passing traffic.

Statues recovered

Two Roman statues of Venus and Mercury, stolen from Verulamium Museum, St Albans, in March, have been recovered from under a bush in a public house car park at Hatfield.

Office party warning

Employers were criticised by Mr Donald Elliott, Assistant Chief Constable of Greater Manchester, yesterday for encouraging staff to drink at office parties and drive at Christmas.



The Fine Art of the Auctioneer

If you buy or sell at auction you will rely to a considerable extent on the expertise of the auctioneer

The buyer requires catalogues, circulated well in advance of the sale, with detailed descriptions of the lots offered. Here, the standard of Sotheby's cataloguing, together with our guarantee against forgery, is the buyer's safeguard.

The vendor has different requirements: his property needs to be carefully attributed and valued; detailed research should be undertaken by qualified experts to catalogue the work accurately and fully; the sale must be conducted in the country most likely to attract the keenest competition; catalogues must have a wide international distribution; transportation,

insurance, and special advertising may be needed.

Confidence in the ability of the auctioneer to sell property for the best possible price is a *sine qua non*.

At Sotheby's, buyers and sellers alike are assured that they will obtain the full benefits of the auctioneer's expertise.

That is why we sell twice as much as any other auction house.

Sotheby's

FOUNDED 1744

Sotheby Parke Bernet & Co.,
34-35 New Bond Street, London W1A 2AA
Telephone: 01-493 8080 Telex: London 24454
Telegrams: Abinitio, London

HOME NEWS

Bow Group criticizes 'Venetian oligarchy' administering the Bar

By Marcel Berlins
Legal Correspondent

Discrimination against women barristers is continuing, even though it is now unlawful under the Sex Discrimination Act, according to a Bow Group memorandum published today.

The Bar's governing body, the Senate of the Inns of Court and the Bar, has made no attempt to comply with the Act, and the heads of chambers are openly flouting it, the memorandum adds.

Discrimination appears at all stages of a woman barrister's progress, it says, but it is at its most serious in relation to the grant of tenancies in chambers. Many sets of chambers openly refuse even to consider women, and others impose low quotas. Both those practices are unlawful, but they continue, sometimes with threats of equally unlawful victimization if a complaint is made.

The memorandum, written by Miss Mary Colton, a practising barrister, is strongly critical of the "exceptional" interference in the management of the Bar, which, it says, "runs itself as if it were a private club, immune from outside supervision."

Ombudsman criticized for attitude over surgeon

From Our Correspondent
Rhy

Sir Idwal Pugh, the Health Service Commissioner (Ombudsman), who last week criticised a doctor for his "inhuman" treatment of a woman of 103, who died last November after being refused admission to a hospital at Rhy, was accused yesterday of setting himself up as both judge and jury.

The doctor, a Nigerian house surgeon, has since returned to Nigeria. The local medical committee of Chwyd, representing the county's 160 general practitioners, says it strongly resents the attempt to use the Ombudsman to steer criticism away from civil servants and politicians by denigrating health services staff who were trying to make the system work.

"Sir Idwal Pugh was prepared to condemn a doctor as inhuman without obtaining or considering an explanation from him," the committee says. "His decision was based on evidence given in secret and cannot be challenged by questions or cross examination. An act becomes right or wrong because he decides rather than because a known rule or law was infringed."

Woman 'invited dismissal'

There was a show of strength between Mr John Bishop, an American, and Miss Ursula Riley, who was in charge of girls at the Penthouse Club, London, when he arrived to sort out affairs of the club out after it had been going down for four years, a London tribunal was told yesterday.

Within two days of his arrival he had dismissed Miss Riley, and the club's girls were out on strike.

The tribunal decided yesterday that Miss Riley had invited dismissal and ruled that it was null and void.

Mr Geoffrey Higgs, the chairman, said Mr Bishop had originally offered to reinstate Miss Riley but she did not want that. She was intransigent and wanted to make an issue of the affair. The dispute had developed since a background of poor management and without adequate consultation with the staff affected by Mr Bishop's new plans to make the club successful.

Miss Riley said later that she was astonished by the decision, and added: "Mr Bishop admitted in evidence that he did not know how English employment laws work, or how the club was operating when he arrived."

Mr Bishop said: "Business at the club is going up now. We have a better clientele and things are running well."

The Central Arbitration Committee, as predicted in *The Times* of December 7, has rejected an allegation by the Association of Professional, Executive, Clerical and Computer Staff (Apex) that workers at the Grunwick film processing factory in London have worse pay and conditions than similar employees elsewhere.

The committee has decided that a claim by the union for equal treatment was not well founded. It said pay and conditions of employment at Grunwick at the time of a tribunal hearing into the matter in October did "not fall below an ascertainable general level."

It noted that the past year or so had shown a marked improvement at Grunwick, where 137 workers, mostly Asians, have been on strike since August, 1976.

A decision is also expected this week by the House of Lords, which has been asked by the Advisory Conciliation and Arbitration Service (Acas) to reverse the decision by Lord Denning in the Court of Appeal which overturned an Acas report recommending recognition of Apex by Grunwick.

The arbitration committee's report shows that wages at Grunwick now vary between £38 and £64 for a 40-hour week and between £33 and £57 for 35 hours. The union said that in September, 1976, basic weekly rates ranged from £22 to £60, with an average of £35.60.

Since then the average had risen to about £45 but was still below the general level in the district, it said.

The company maintained that the union wrongly compared rates paid to workers processing cinematic film with those at Grunwick, which provided a service for the amateur photographer.

Practical moves against arms 'cancer' urged

Dr Owen, the Foreign Secretary, called yesterday for practical measures to halt the cancer of weapon proliferation.

Speaking to the Royal College of Defence Studies, he said the ultimate object was general and complete disarmament under strict and effective control. "That would require expert study and patient, determined negotiation."

Practical measures that would bite into military arsenals of all kinds were required rather than vain propaganda gestures. That meant pursuing détente on a world scale.

Bench orders Neilson property to be returned to him

Donald Neilson, serving life imprisonment for four murders, was granted a court order yesterday for the return of some of his personal property seized by detectives. But his guns and some other items will go to police museums and crime laboratories or be destroyed.

Magistrates were sitting at Newcastle-under-Lyme, Staffordshire, a few miles from where Neilson, hanged Lesley White, aged 17, in an underground drainage system nearly three years ago.

The magistrates agreed that he should be allowed to have back 20 items, including two telescopic sights, holdalls containing an inflatable dinghy, skin-diving equipment and a survival suit, a telescope, motor cycle jacket and camping equipment.

Mr Neilson, aged 41, was not in court for the application. Mr Barrington Black, his solicitor, said it was almost two years to the day since Mr Neilson's first court appearance and "one hopes the last chapter in this saga has now been written."

He said 372 articles amassed by the police in their investigations had already been returned to Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

The rest, including the wire snopes he used to enter Miss White in the drainage system at Barpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the slencer fitted by Mr Neilson removed. Two stolen 27 rifles will be held by the police. The owner does not want them back.

Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

The rest, including the wire snopes he used to enter Miss White in the drainage system at Barpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the slencer fitted by Mr Neilson removed. Two stolen 27 rifles will be held by the police. The owner does not want them back.

Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

The rest, including the wire snopes he used to enter Miss White in the drainage system at Barpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the slencer fitted by Mr Neilson removed. Two stolen 27 rifles will be held by the police. The owner does not want them back.

Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

The rest, including the wire snopes he used to enter Miss White in the drainage system at Barpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the slencer fitted by Mr Neilson removed. Two stolen 27 rifles will be held by the police. The owner does not want them back.

Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

The rest, including the wire snopes he used to enter Miss White in the drainage system at Barpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the slencer fitted by Mr Neilson removed. Two stolen 27 rifles will be held by the police. The owner does not want them back.

Mr Neilson, who had been particularly not to choose items that might be of ghastly interest to others.

One hopes they will be items from which profit could be made by the unscrupulous.

The police were given powers to retain 463 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories.

Hospital for journalist who drowned his wife

From Our Correspondent
Luton

A journalist who found the pressure of work too great and suffered from hallucinations drowned his wife in the bath and then tried six times to kill himself, it was stated at St Albans Crown Court yesterday.

John Kay, aged 33, a reporter with *The Sun*, pleaded not guilty to murder. His plea of guilty to manslaughter on the ground of diminished responsibility was accepted by the prosecution.

Mr Justice Tiesiger ordered Mr Kay to be admitted for treatment at Friern Hospital, Barnet.

Mr Kay, of Alston Road, Barnet, was an industrial reporter and due for promotion to industrial editor.

Mr John Mather, QC, for the defence, said Mr Kay had been suffering from a severe depression since the death of his wife, who had been killed in a car crash.

The *Sunday People* and Mr Aspinall deny this. In the telephone calls, Constable King arranged to meet Mr O'Halloran in the Dover Patrol public house on the A2 in south-east London, where something would be handed over. The detective gave details of his car, which would be in the car park where the exchange was to take place.

The judge was told that Constable King had been charged with corruption, but the case had been dismissed when Mr O'Halloran refused to give evidence.

After a Metropolitan Police inquiry, Mr King was fined, repaid and returned to uniform. No action was taken against Mr Mullen.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

The hearing continues today.

WEST EUROPE



The former Mlle Valérie-Anne Giscard d'Estaing, elder daughter of the French President, on honeymoon with her husband, M Gérard Montassier, in Sicily where they were married on Saturday.

Farm prices restraint given British support

From Michael Hornsby
Brussels, Dec 12

Against the background of rising output and stagnant consumption, it was vitally necessary to restrain farmers' prices to the minimum level for agricultural production, Mr John Silkin, the Minister for Agriculture, told his EEC colleagues here today.

He welcomed the general thrust of the European Commission's proposals for farm prices in 1978-79, which envisage an average increase of slightly under 2 per cent.

Because of the special "green" exchange rates used in agricultural trade, this would give farmers a real increase of 3 per cent on average.

But Mr Silkin made clear that he would like the Commission to have gone even further by proposing no increase in the prices for dairy produce, including milk, and for sugar, cereals and pigmeat.

Apart from the need to avoid creating a food surplus, account also had to be taken of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

It was also important that the Commission should be aware of the fact that food prices outside the Community were generally falling, he said, and it was wrong to allow an "artificial gap" to open up between these and the level within the Community.

Strike hits sailings across the Channel

lan Murray
Paris, Dec 12

Cross-channel services between Britain and France were severely disrupted today at the beginning of a two-day strike by French crews in protest at the decision to transfer one ferry to British registration in the new year.

In Calais and Le Havre the police were called in to move pickets and allow cars and lorries to disembark.

The strike was called by the Communist CGT and Socialist CFDT trade union confederation in support of the crew of the Normandy Ferries' ship *Leopard* who believe they will lose their jobs if the planned transfer takes place.

The *Leopard* itself failed to make its scheduled crossing yesterday from Le Havre to Southampton and stayed moored, blocking its berth throughout the day.

The strikers' pickets this morning occupied the quayside in Le Havre used by the Townsend-Thoreson ferry *Viking Ventures* which also does the Southampton run and prevented its vehicles on board from landing until the police cleared a way for them.

The police were also in action in Calais on three occasions clearing one of the four on-land ramps for use by British ferries, not affected by the strike.

During the afternoon 200 strikers were helped by dockers to slip on to the open ramp and block it with heavy objects that took the police an hour to clear before the third British ferry was able to leave with its cars and passengers.

There were no services possible either from St Malo, Roscoff and Cherbourg. Hovercraft services, however, running normally.

Normandy Ferries, which is a P and O subsidiary, announced in October that it would be switching the *Leopard* to British registration because of poor financial results in recent years. Since then the company has agreed that the ship can remain under French registration, but only if the crew accept a reduction in numbers.

The French seamen are also protesting at other losses of French jobs on the cross-Channel run caused by phasing out of two ships and reducing the crew of a third.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

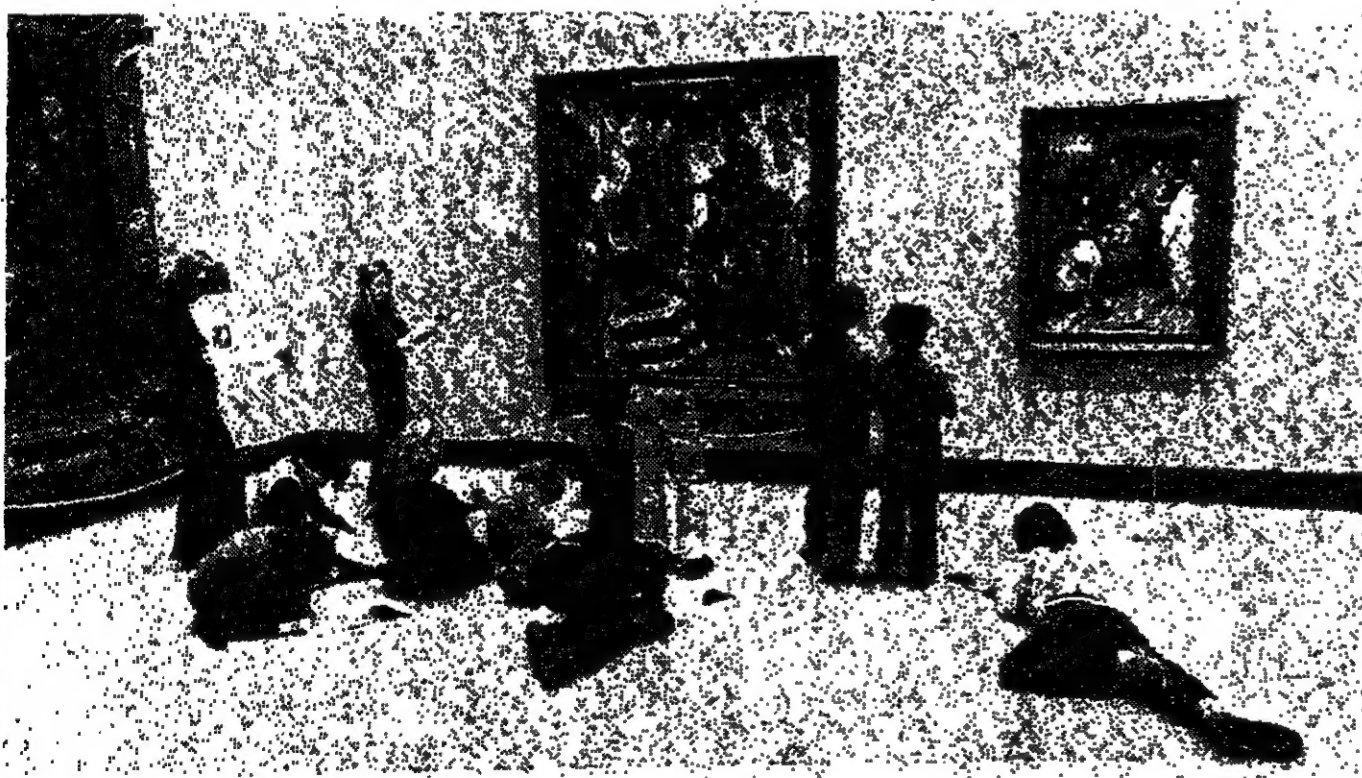
Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.

Ship return: Two British Rail ships had to return to Dover with their passengers still on board. Alternative sailings were being made to Zeebrugge and Ostend.



Pupils from Hallfield Junior School, Bayswater, taking part in one of the National Gallery's Christmas quizzes for children yesterday.

'Building more jails does not make sense'

By Peter Evans
Home Affairs Correspondent

It would save money to treat a larger number of suitable offenders outside prison, the Howard League for Penal Reform told the House of Commons Expenditure Committee yesterday.

Its memorandum criticizing government policy said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The memorandum said: "It simply does not make sense to build more prisons while a substantial number of people are being sent to prison merely for want of more appropriate facilities."

The league disagreed strongly with the official contention that "the possibility of financing an increase in probation-based facilities through a major shift of resources from the prison service is unrealistic."

On the contrary, the league said, where there were two possible ways of dealing with a given category of people, one of which cost several times as much as the other, it was false economy to place restrictions on both. Instead, the less expensive service should be allowed to develop, so as to make much greater savings in the other.

Although all but one of the new prison projects planned at the beginning of 1976 had been cancelled there were still plans for 4,700 new places in prisons to be completed by 1981.

The league suggests further development of the idea implicit in community service orders of a requirement for the offender to make up for the harm caused by his offence. Inflicting harm on the victim benefited neither the victim nor society. One option would be to make more use of the power to order him to pay compensation.

Mr George Carroll, managing director of Laker Air Travel, said fares of as little as £89 for London to New York return and £159 for London to Los Angeles return were to be offered in the Laker advance booking charter programme for next summer.

British Caledonian Airways made clear last night that it would cancel Laker's application to fly a Skytrain service to Los Angeles. The airline already has a licence for the service, which was suspended in 1974 because of the fuel crisis.

Mr George Carroll, managing director of Laker Air Travel, said fares of as little as £89 for London to New York return and £159 for London to Los Angeles return were to be offered in the Laker advance booking charter programme for next summer.

British Caledonian Airways made clear last night that it would cancel Laker's application to fly a Skytrain service to Los Angeles. The airline already has a licence for the service, which was suspended in 1974 because of the fuel crisis.

Mr George Carroll, managing director of Laker Air Travel, said fares of as little as £89 for London to New York return and £159 for London to Los Angeles return were to be offered in the Laker advance booking charter programme for next summer.

Schools forced to cancel Christmas shows

Sheffield schools planning to put on nativity plays and shows to which parents can be invited have been told by the education department that they must obtain licences under the Theatres Act, 1968.

The licences are issued if school halls satisfy certain regulations on emergency lighting, marked exits, fire escapes and chairs. Some schools cannot make alterations in time and have had to cancel their shows.

Mr Graham Cherriman, Conservative councillor, said yesterday: "The timing of this move is ridiculous. It means children and teachers have put in a lot of hard work for nothing. This Act came into force in 1968 and has not been seriously applied in Sheffield until now."

Richard Gribble, aged 18, of John Aird Court, Paddington, was sent for trial in custody at Marylebone Magistrate's Court, London, yesterday, charged with abducting Mr Kenneth Hill and having a loaded 22 air rifle in London Street, Paddington, with intent to commit an indictable offence.

Richard Gribble, aged 18, of John Aird Court, Paddington, was sent for trial in custody at Marylebone Magistrate's Court, London, yesterday, charged with abducting Mr Kenneth Hill and having a loaded 22 air rifle in London Street, Paddington, with intent to commit an indictable offence.

Richard Gribble, aged 18, of John Aird Court, Paddington, was sent for trial in custody at Marylebone Magistrate's Court, London, yesterday, charged with abducting Mr Kenneth Hill and having a loaded 22 air rifle in London Street, Paddington, with intent to commit an indictable offence.

Richard Gribble, aged 18, of John Aird Court, Paddington, was sent for trial in custody at Marylebone Magistrate's Court, London, yesterday, charged with abducting Mr Kenneth Hill and having a loaded 22

OVERSEAS

US tries to bring King Hussein into Middle East peace round despite absence from Cairo

Amman, Dec. 12.—Mr. Cyrus Vance began talks today with King Hussein on how to bring Jordan into the Middle East peace negotiations. Reporters travelling with the Secretary of State were told that the United States believes King Hussein wants to join the talks and that a means will be found. This may not occur until after the first session in Cairo.

American officials in Amman believe he has perhaps a larger role in peace than any other Middle East leader but requires an assurance from the Israelis that they will make some concession on two vital issues: the sovereignty of the West Bank area, and the status of the holy city of Jerusalem and its holy shrines.

Mr. Vance, who has already been in Egypt, flew to Amman from Jerusalem, where he and Mr. Begin, the Prime Minister, talked about the strategy for the Cairo conference which opens on Wednesday. Mr. Begin said Israel hopes the conference will produce a settlement between Egypt and Israel which can then be used as a model for a treaty between Israel and its other Arab neighbours.

The talks between King Hussein and Mr. Vance began this afternoon at the Hashemiyah Palace, in the foot-

Egypt set for peace conference

Cairo, Dec. 12.—Egypt was making final arrangements today for Wednesday's preparatory Middle East peace conference. It is hoped that Jordan, and perhaps also the Palestine Liberation Organization (P.L.O.), might also be invited to the conference.

So far the only two parties directly involved in the conflict attending the conference are Israel and Egypt. The United States has also agreed to attend the meeting, which will be held under United Nations auspices.

The P.L.O. and Syria oppose the meeting, while Jordan and Lebanon have found various diplomatic reasons for not coming.

Dr. Butros Ghali, the Egyptian Foreign Minister, said yesterday that the visit to Cairo by King Hussein of Jordan last week showed he supported President Sadat's peace initiative. He added that Jordan might come to the conference "in the coming weeks".

Mr. Ghali also said he expected the P.L.O. to be invited to the conference. He said the P.L.O. had been invited to the conference by the P.L.O. leadership, and that the P.L.O. had been invited to the conference by the P.L.O. leadership.

Eritreans storm vital port on the Red Sea

Rome, Dec. 12.—Eritrean rebels are storming Eritrean vital Red Sea port of Massawa and have captured one of its four districts, a rebel spokesman said in Rome today.

The reported fierce hand-to-hand fighting and said that Eritrean troops and their Cuban advisers were fighting in the off-shore islands, apparently in readiness to retreat there. The spokesman, Mr. Ermias Desalegn of the Eritrean People's Front, told Reuters that 15 Ethiopian tanks had been captured.

The Front says the present battle for Massawa began when the Eritreans made a determined effort to break out and reopen the road to Asmara. Rebels say they threw in 10,000 men to stop them, turning the tide in fighting at the end of the week. Mr. Desalegn said 12 miles south of the town, the Eritreans are getting weaker all the time. Mr. Ermias said today.

Mogadishu: Pro-Somali forces killed 1,000 Ethiopian troops and wounded 467 in a battle on Saturday. 18 miles south of Negele in Ethiopia's southern Sidamo province, it was reported here today. A bulletin from the Somali liberation forces said its troops had also shot down an Ethiopian F5 fighter bomber and captured six jeeps armed with 106mm cannon.

Seven civilians were killed and eight others wounded on Friday when Ethiopian aircraft attacked a port on the road leading to Hararge, northern Somalia, with MiG in Hararge, the Somali news agency reported today. The agency said the attack came as the aircraft were returning to base after a raid on Hararge in which 10 people were killed and 10 others injured. (Ethiopia has denied attacking Hararge.)

Agence France-Press today accused the Soviet Union of trying to cause a bloodbath in the Horn of Africa "to bring down the states which do not bow to the Russian line".

Mogadishu radio accused the Russians of trying to establish a powerful military presence on the shores of the Red Sea to dictate the movements of ships in the sea lanes.—UPI.

Beirut strike in protest at newspaper suspension

Beirut, Dec. 12.—Christian rightists today set off explosive charges, built barricades of burning tyres and enforced a general strike in east Beirut to protest at the suspension of the Arabic newspaper *Al-Nahar*.

The newspaper, which is owned by Mr. Amin Gemayel, the son of Mr. Pierre Gemayel, the Phalangist leader, was suspended for publishing a cartoon of the President of the Republic.

Mr. Gemayel and Mr. Camille Chamoun, the head of the right-wing National Liberal Party, met President Sarkis today to discuss the protest.—UPI.

Soviet snag in Tokyo-Peking pact

From Peter Hain, Tokyo, Dec. 12

Caught in the crossfire of the Sino-Soviet dispute, Japan will refuse to sign a proposed treaty with China in the near future if the terms of the pact antagonize Moscow, Mr. Sonoda, the Japanese Foreign Minister, declared today.

Mr. Sonoda stated this statement today after reports which suggest that Japan, encouraged by the growing opportunities of trade with China, might sign the proposed pact with Peking by next March. Negotiations have dragged on for three years because China insists that the document must contain an "anti-hegemony clause", which is an indirect attack on the Soviet Union's role in Asia.

Tokyo reports that Japan is preparing to sign the treaty with China, Moscow apparently warned Tokyo earlier this month that Japan will be cut with from operating within Russia's 200-mile fishing zone if the unfavourable "anti-hegemony" clause is written into the treaty.

Speaking to journalists today, Mr. Sonoda brushed off questions regarding the proposed date of the signing of the treaty, but he admitted that Mr. Sonoda, the Japanese Ambassador in Peking, has returned to Tokyo to brief the Government.

Reporters searched before leaving Romania

From Dasa Trevisan, Belgrade, Dec. 12

In an effort to stop appeals on human rights by Romanian citizens reaching the outside world, the Romanian authorities have imposed a thorough search on Western journalists leaving the country by air.

For the first time I was searched for printed matter at Bucharest airport yesterday before being allowed to leave for Belgrade. Plain-clothed police took away all printed matter, including my copy of a speech by President Ceausescu, before permitting me to pass the barrier.

A search of this kind is unusual for Romania and is surprising when it comes to Bucharest for the Communist Party conference.

It seems to have begun when the police discovered that Mr. Clus Bargmann, the Belgrade-based correspondent of the Stockholm newspaper *Dagens Nyheter*, was intending to fly out with a manuscript of a satirical book on Romania and an appeal by a Romanian citizen to the Belgrade conference and the United Nations about the infringement of human rights in the country.

Israel eager to shore up Mr Sadat's position

From Edward Mortimer, Jerusalem, Dec. 12

Israel is willing to discuss with Egypt the issues of the Gaza strip, the West Bank and the Palestinians, even though Jordan and the Palestinians are not likely to attend the Cairo talks starting on Wednesday.

Mr. Moshe Dayan, Israel's Foreign Minister, confirmed this as a foreign press luncheon in Jerusalem today before leaving for a Cabinet meeting to agree the terms of Israel's delegates to the talks.

Israel would discuss any issue that would make it easier for President Sadat to maintain his position in the Arab world while continuing the movement towards peace, Mr. Dayan said.

He said Egypt was happy with the present level of the delegation being sent to Cairo, led by Mr. Eliahu Ben Elissar, director-general of the Prime Minister's office. Talks at the Egyptian Embassy in Jerusalem, Mr. Dayan said, must, however, exhaust their role within 10 days.

If President Sadat got no results in that time, the whole mission would be "in trouble with other Arab countries".

Israel was willing to discuss a territorial partition of the West Bank and the Gaza strip, Mr. Dayan said. He did not believe it was a workable solution, however.

No Arab party had ever proposed such a solution, he said, only the result of a whole series of negotiations. Israel had often said it could not accept it.

In any case, Mr. Dayan said, existing Israeli settlements in the occupied territories would not be removed. He said Israel would be "in trouble with other Arab countries".

Mr. Dayan said that Israel was willing to discuss a territorial partition of the West Bank and the Gaza strip, Mr. Dayan said. He did not believe it was a workable solution, however.

Quebec shivers

Quebec, Dec. 12.—A power failure left 85,000 Quebec residents without electricity for three quarters of an hour last night with temperatures as low as -18°C.—Reuters.

Cosmonauts start work in orbiting laboratory

Moscow, Dec. 12.—The two Soviet cosmonauts orbiting on board the Salyut 6 space laboratory today began to activate it and check its systems.

Tass reported that Lieutenant Colonel Yuri Romanenko and Mr. Georgy Grabchuk awoke at 7 am and started their third day in space with breakfast and a medical check-up. Both were in good condition, according to their own reports, and transmitted information on their physical condition.

The two cosmonauts were launched into orbit on Saturday in Soyuz 26 and linked up with Salyut 6 early yesterday, entering the previously unoccupied orbital laboratory after docking in space.

Salyut 6 is orbiting the earth every 90 minutes at altitudes ranging between 204.4 miles and 165.9 miles. An earlier attempt by Soyuz 25 to dock with it failed.

The Soviet press has said the Soyuz 26 expedition has plans for "important and complicated work" which Western experts say could mean the simultaneous docking of a second Soyuz space capsule for re-supplying Salyut 6 or possibly changing crews.—UPI.

Exceptional Secretary/PA

SMALL ADVERTISING AND NEW PRODUCT DEVELOPMENT CONSULTANCY

We are a Co-Writer, an Art Director, a Research Executive and a Marketing Executive. We're building a business and we're looking for a third person to develop advertising campaigns for existing products. We're looking for a person who is creative, energetic, and has a proven track record in advertising. We're offering a salary of £3,500 per week plus holiday and the potential to earn a great deal more.

The most important attributes are intelligence, a willingness to work hard and get things done, and a proven track record in advertising. We're only seven people in total and we have good times together, as well as working hard.

If you've worked in advertising or a related field, that'll help.

Salary is £3,500, four weeks holiday and the potential to earn a great deal more.

Please contact Ray Gillman on 240 2384, TSGH Ltd., 29 Maiden Lane, London, W.C.2.

CLERICAL ASSISTANT

needed for catering businesses of all sizes. New York, N.Y. 10001. Hours 9-5. £2,500.

Ring Mrs. Simmonds 836 9831

MAKE USE OF YOUR SPANISH

Regional Director of major, R.V.I. based company, responsible for recruitment and selection of staff for all Spanish speaking areas. Excellent salary and benefits. Apply to: Mr. J. M. Garcia, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

STEPPING STONES

TRAIN FOR ADVANCEMENT

By working in the field of the stepping stones, you can advance your career and your income. We are looking for people who are motivated, energetic, and have a proven track record in sales. We're offering a salary of £3,500 per week plus holiday and the potential to earn a great deal more.

The most important attributes are intelligence, a willingness to work hard and get things done, and a proven track record in sales. We're only seven people in total and we have good times together, as well as working hard.

If you've worked in sales or a related field, that'll help.

Salary is £3,500, four weeks holiday and the potential to earn a great deal more.

Please contact Ray Gillman on 240 2384, TSGH Ltd., 29 Maiden Lane, London, W.C.2.

CLERICAL ASSISTANT

needed for catering businesses of all sizes. New York, N.Y. 10001. Hours 9-5. £2,500.

Ring Mrs. Simmonds 836 9831

MAKE USE OF YOUR SPANISH

Regional Director of major, R.V.I. based company, responsible for recruitment and selection of staff for all Spanish speaking areas. Excellent salary and benefits. Apply to: Mr. J. M. Garcia, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898

Increased spending on thermal insulation gets a prominent place in energy saving plans

House of Commons

A 10-year energy conservation programme which could save the equivalent of about 10 million tons of oil a year from 1988 onwards was announced by Mr Anthony Wedgwood Benn, Secretary of State for Energy. During the first four years the programme will involve the expenditure of about £230 at 1977 prices. At the end of the 10 years the savings could be worth about £700m a year at present prices.

Mr Benn said: Existing policies have contributed to energy savings of approximately £100m a year worth some £2,000m over the last four years. As was recognized at the London summit meeting in 1977, energy conservation must play a major role in our future energy policies. I therefore set in hand a review of action to bring about significant reductions in the future growth of energy demand. The following recommendations made by my Advisory Council on Energy Conservation, today, are announcing a substantial package of decisions:

First: The Property Services Agency will extend its existing programme in the civil and defence estates, at a cost of £5m a year, to make a survey of continued progress towards the estimated target of saving 35 per cent of the fuel used at the start of the programme in 1977. This represents around £30m a year at today's prices.

Second: As part of a long-term programme for insulating the insulation and heating controls in National Health Service buildings, it is planned to invest an additional £10m in 1978-79 and £20m in each of the succeeding three years.

Third: As part of a similar programme in educational buildings it is planned to invest an additional £10m in 1978-79 and £20m in each of the succeeding three years.

Fourth: The Government will discuss with local authorities the very substantial opportunities for energy savings in non-domestic buildings, other than schools. We propose to make additional funds of up to £7m a year available for the necessary staff to carry out efficient energy management and for the installation of heating controls. The precise sums to be spent will depend on discussion with local authorities.

Fifth: The Government are launching a 10-year programme to improve public dwellings in the public sector, with the expenditure of £2,000m in 1978-79 and £20m in each of the succeeding three years. This will involve the installation of energy saving devices, which will have major social benefits. Spending for this purpose will be made eligible for central government grants.

Provision is being made for expenditure over the next four years at an annual rate of £2,000m, in addition to £20m spent on improving the insulation of Ministry of Defence buildings.

The Department of the Environment has for some time been consulting outside interests on proposals for building regulations to provide for the thermal insulation of new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

Sixth: The introduction of building regulations requiring the provision of appropriate energy saving devices in new non-domestic buildings, and regulations resulting from this consultation are expected to be made shortly.

The Government have now decided on further steps in this programme.

to its replacement in existing non-domestic buildings. A consultative document will be issued as soon as possible.

Seventh: To promote efficient energy management in non-domestic buildings, a new Government advisory and training service will be set up. £500,000 a year has been made available for this purpose.

Eighth: In addition to the Government have allocated £4m in 1978-79 and £5m in each of the next three years for expanding information and advisory services to industry.

Ninth: The Government have allocated an additional £2m in 1978-79, rising to £8m in 1981-82 for the same purpose.

Tenth: More efficient motor vehicles could make a significant contribution to containing the growth in demand for oil for transport. The Government have opened discussions with the motor industry on possible targets for reducing average fuel consumption achieved by new cars and on methods of achieving those targets.

Eleventh: The Government have allocated an additional £500,000 a year over the next four years to an information and publicity campaign to encourage motorists to see that their cars are well maintained and to drive in more economical ways.

Twelfth: The reinforcement of our policies will require additional staff on energy conservation. In the Department of Energy I am establishing a new unit, the Energy Conservation Unit, to coordinate our energy policies.

The measures I have described will involve additional expenditure on energy conservation in the United Kingdom estimated at some £55m (gross) in 1978-79, rising to over £60m a year (gross) in the following three years. This will be spread over a number of programmes and will be financed by a variety of means.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

These programmes will take up to 10 years to complete and will involve expenditure of some £230m over 10 years, of which £230m will be spent on energy conservation measures, including in later years savings on energy consumption from the investment made in earlier years.

Mr Tom King, Opposition spokesman on energy (Bridgewater, C) said: We warmly welcome the conservation package, which will come as no surprise to him as we have been pressing for just such a package. It is only tragic that another winter has been lost and that this is the last industrial country to bring forward a package on these lines.

Mr Benn has spoken of possibly including provision for building regulations. Could this be extended to domestic buildings?

We have always maintained that the insulation is employment intensive. Can he give any assessment of the employment content of this?

Mr Benn: It is the Opposition's privilege to put questions. We are behind other countries. The Carter energy package is not through Congress; the Germans have published proposals which are not through, and our record is not compared with that of other countries.

Our progress speaks for itself. Building regulations are for the Secretary of State for the Environment. I have today announced measures which are spread over the whole of Government and which would have to come from other sources.

I have long believed that this insulation work, about 10 per cent of the total, is in its own right. It is difficult to put specific figures on the number of jobs but I believe it will be substantial.

Mr Patrick McNair-Wilson (New Forest, C) said: We make the best use of our substantial coal resources, the biggest of our fossil fuels, what action is the Secretary of State taking to ensure that local authorities have fireplaces and chimneys available in the housing and other domestic fuels?

Mr Benn: This has been brought to my attention. It is primarily the responsibility of the Secretary of State for the Environment.

I hope we shall make progress in getting grants for the replacement of old boilers and other uses in domestic buildings.

Mr John Pardo (North Cornwall, Lab) said: The point is that the regulations would only affect new buildings. What about incentives for insulation of existing private dwellings?

Mr Benn: That is a fair point. We have responded as a Government to obvious economic advantages of conservation and energy saving. It has led us to spend money as we have described with equal force to private dwellings. It is a matter for the private sector.

Mr Thomas Swain (North-East Derbyshire, Lab) said: There is quickly becoming a consumer resistance to the use of electricity in new private and council dwellings for central heating and hot water.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

Mr Benn: I would rather concentrate on further research on solar energy rather than an exercise in clean air legislation which is giving us 70 per cent more sunshine in urban areas than before clean air legislation was introduced.

After the statement had been repeated in the Lords, Lord Wigg (Lab) said: The British would respond to example rather than words.

January decision on pay of clergy

The Church Commissioners hoped to make a decision about clergy pay at about the end of January.

Mr Terence Walker, the Second Church Estates Commissioner (King's Lynn, Lab), said:

We are waiting for the Commission's central stipendiary authority to make its decision. The Commission's decision will be made by the end of January.

Mr Michael Latham (Melton, C) said: We are waiting for the Commission's central stipendiary authority to make its decision. The Commission's decision will be made by the end of January.

Mr Walker: The Church Commissioners have publicly expressed the view that clergy stipends are most inadequate. The maximum levels known to be obtainable for next year are not sufficient to attract the best clergy to the ministry.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Walker: There have been great efforts over the years to make sure that the clergy are paid adequately. The Church Commissioners have been working hard to ensure that the clergy are paid adequately.

Mr Varley defends £28m subsidy on ships deal: 'We have to go and fight for orders'

Shipbuilding throughout the world faced a disastrous picture, Mr John Nott, chief Opposition spokesman on trade (St Leonards, C) said when he opened a debate on the shipbuilding industry.

He said there was a total lack of discipline within the OECD to prevent more and more protectionist measures. That lack of discipline was exemplified by the cynical avoidance of the rules in the case of the Euro-bond issue which was announced in October.

Japan had the capacity to produce all the world's shipping requirements by itself, having multiplied its capacity 10 times in 10 years. It was a pity that it was not as usual by a fairly protectionist policy for its own shipping industry.

It was the British Government which had been at the forefront of Community efforts to restrain the Japanese and to criticize and lambast them for their protectionist policies.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

We have here (he said) hypocrisy on a grand scale. The Government are securing particularly the extension of credit to the industry on the extension of credit to the industry.

It was this Government which only a week or two ago was producing a policy which was completely at odds with the way in which they were competing for extension of credit to the industry.

Those were areas the Government had been

هكذا ان الاصل

Banking and finance in Latin America

Time to wake up: this Special Report looks at Britain's lost opportunities

"Progress towards more balanced and equitable economic relations between developed and developing countries is an essential element of an improved world economy."—OECD ministerial council, Paris, June, 1976.

Too big to ignore

by Michael Frenchman

This year has seen a steadily increasing flow of Latin American visitors to Britain. They have included ministers from the major countries like Argentina, Brazil, Chile, Mexico and Venezuela, a host of bankers and countless businessmen from the private sector.

There have been several fairs and promotions for British industry in Latin America and numerous conferences, seminars and discussion groups in London. All this indicates that at long last Britain is beginning to wake up to the opportunities that lie in increasing trade and banking links with Latin America.

One of the major imbalances in world economy so far has been the relationship between Europe and Latin America which has for many years been dominated by North American investment and trade. For a generation Britain, and to a lesser extent the rest of Europe, has been content to ignore the realities of the 22 countries which together have a population of 324 million which form this highly complex and varied region.

It is only since the energy crisis of 1973-74 and the disastrous economic recession which hit the industrialized nations in 1975 that we have begun to focus on the Latin American market. The world's major borrowers of development aid and finance. According to a Morgan Guaranty Trust report seven Latin American countries—Brazil, Mexico, Argentina, Chile, Peru, Venezuela and Colombia—had a total debt of \$77,000m at the end of last year.

Of these countries, Mexico and Brazil had a combined debt of about \$30,000m representing about a third of the debt held by the world's developing and lesser developed countries. During 1976 there was an enormous increase in lending by the EMBIA which reached \$8,200m, a good enough reason in itself why greater interest should be taken in furthering trading links in this area.

In the past four years an imbalance of \$147m in Latin America's favour in trade with Britain has been turned into a provisional surplus of \$35m for Britain for the first 10 months of this year. Because of devaluation of the pound during this period a degree of caution must be exercised in comparing these figures. The position this year so far is: January-October, imports from Latin America—\$663.4m, exports from Britain \$739m. Last year there was a surplus for Britain of only \$3.65m.

Between 1972 and 1976 trade with the EEC as a whole nearly doubled, but Latin America has still maintained a small surplus balance of exports.

Exports, 1972 1976
to Latin America: \$4,388m \$8,519m
by EEC: \$4,830m \$8,890m

Our hitherto earlier reluctance to take Latin America seriously has been for a number of reasons, two at least. Firstly, political. Britons by nature are cautious traders too much so according to some of our competitors, and are also somewhat hesitant when languages other than the mother tongue are involved. Hence it was always easier to maintain and develop the old colonial links, the Empire said all that.

With minor exceptions like Belize and the controversial Falkland Islands, the impact on the continent has been eclipsed by the Hispanic colonies. The "Empire" hangover has always put Latin America off the beaten track except for a few. For far too long British business has stood by while our European and Japanese competitors have gone in often with both feet first.

For those who did venture at the turn of the century there is the additional stark memory of nationalization of a large number of utility companies and services established with British capital. But now, with the Empire gone, some sectors of British business, in particular the private banking sector, have at last woken up to the potential markets and natural resources which Latin America has to offer not only to us but to the industrialized nations as a whole.

The second main reason

for our change in attitude is Africa. By a curious paradox while Britain, with a few notable exceptions, seems to be easing up in some cases Brazil is intent on consolidating its links with Portuguese speaking Angola and Mozambique. Argentina too is looking closely at southern Africa (mainly for defence reasons in the South Atlantic) and to Rhodesia in particular whose white farmers are being wooed to set up homesteads south of the River Plate.

But to some perceptive businessmen it seems that there is a long troublesome period ahead in Africa as a whole. It still offers opportunities for the old-style entrepreneur who wants a quick return on his investment but the time factor is now severely limited by political consequences.

There seems little doubt that in the world of big power politics Africa appears to be becoming the main theatre of the cold war. To a certain extent Latin America must accept part of the responsibility having given birth to Cubanism, the only really successful Marxist experiment in the area.

Attempts to spread Cubanism to the Latin American mainland have been largely balked by the individual countries, particularly those in the southern half of the continent which have established a so far unofficial alliance, the *concurso al Sur* or Southern Cone pact, to combat the growth of communism in the region. Unfortunately in many cases the military regimes have often overreacted in their drive against attempted communist-inspired takeovers.

Bearing in mind the characteristic temperance of the Latin this should not have been entirely unexpected but in the case of Chile and Argentina, it has led to much tarnished image abroad, often deliberately so, in a number of instances. This has resulted in a wide misunderstanding, especially by some sections of the press, of what has really been happening in Latin America.

It is a continent in a hurry where exploitation, suffering and wage disparities have, in a sense, never been the daily norm. At the same

time, however, considerable efforts have been made to carry out sounder social policies, increase manufacturing export capacity and develop natural resources in the region.

According to the United Nations Economic Commission for Latin America (ECLA) exports increased by 10 per cent to \$42,400m in 1976. The area is dogged by over-population in urban areas and by some of the highest birth rates in the world.

As well as a group of countries on the move Latin America is trying to do in a generation what the industrialized nations of Western Europe have taken a century and half to achieve. Mistakes, both political and economic, have been made and will continue to be made but it is to be hoped, with infrequency, the slams downed by the early Victorian immigrants are surely little worse than the *fajitas* of the "fallo de la twilight cities" of Africa, or indeed the appalling encampments in which thousands of immigrant workers live in the Gulf where they work for the oil-rich states.

But to go west and south from the Gulf to Africa where Cuban intervention is increasing at an unprecedented rate as the number of advisers and troops, concludes to move from the Mediterranean shores to the Red Sea, from the Atlantic to the Indian Ocean. The possibility of accelerated political unrest in some areas is more than likely and many industrialized nations may find that their traditional sources for the supply of crucial raw materials may eventually be in doubt. According to some political researchers, colonization on a much larger scale in the African continent cannot be ruled out in the next decade.

The unfortunate image of Latin America, being a collection of banana republics where the only news that reached the headlines was yet another "revolution or coup" is more than likely to be replaced by steady activities in some of the new-wave rich Africa states where the veneer of stability and wealth has been the realization of possible

continued political uncertainty and later turmoil—the Sahara, Morocco, Rhodesia, South Africa, the homelands, the Horn of Africa—is beginning to ring alarm bells in business circles which until now have been falling on deaf ears. The supply of many of the free world's vital commodities is likely to be disrupted with increasing frequency. Specialized minerals like chrome, most of which comes from southern Africa, which are essential for the West's massive defence industries, could become unobtainable in sufficient quantities from traditional mines.

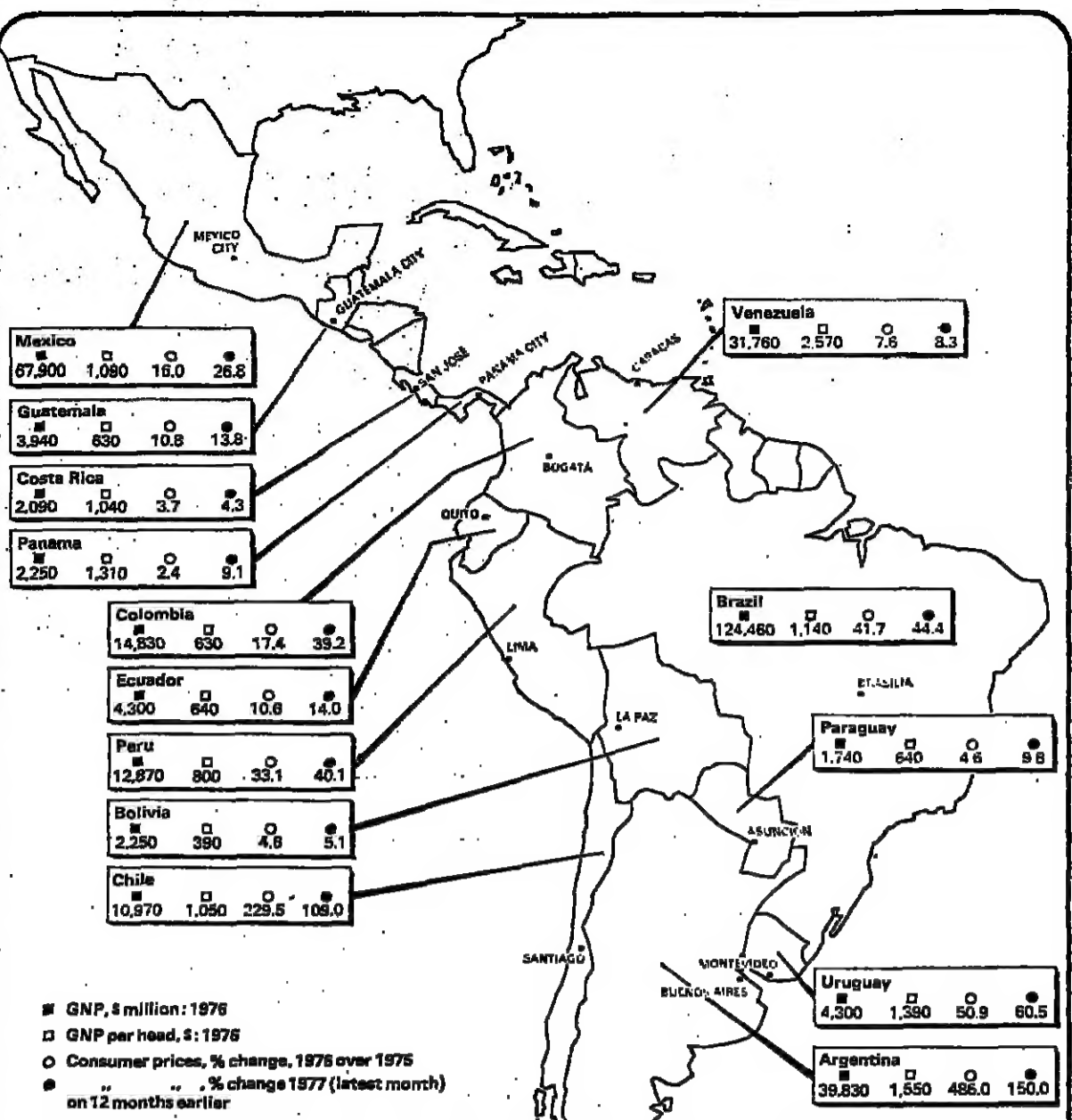
The changing pattern of political life in Africa on the whole is far less attractive than in the postwar era. The converse is now true about Latin America where a large degree of stability has been established.

Progress has a price; stability ensures investment; and that ensures growth and that is what Latin America needs. The peso in one's pocket may not buy much, but it is infinitely better than no peso at all.

The strength and stability of the region overall are reflected in the continued diversification of the economy and its ability to continue obtaining large-scale credits. It is an ill wind that has made it possible for the industrialized nations to lend with confidence their increasingly available surplus funds during a recessionary downturn to the upstart of a large sector of the developing world.

With a dramatic turnaround of the Argentine economy, a more active investment climate in Chile, the possibility of Mexico becoming Latin America's Saudi Arabia, and continued exploitation of Brazil's untold resources Latin America is a region that Britain and Europe must continue to watch more closely than ever before.

As the OECD stated last year, "Increased borrowing by developing countries in a global recession and repayment would not only prove to be a relief for the programmes by maintaining their imports, but would help to reduce the severity of the recession in the industrial countries as well."



	Official reserves (latest month) (\$m)	No. of months imports covered by reserves	IMF drawings (\$m)	Euro-market borrowings (\$m)				Debt servicing ratio	
				1976	1977 (1st half)	1977 (1st half)	1977 (1st half)	1977	1978†
Argentina	1,814	5.5	289.5	1,044	1,044	248.1	248.1	28	28
Brazil	1,506	3.8	416.9	1,302	2,330	261.8	1,051.1	36	45
Chile	551	4.1	124.4	125	125	305.0	205.0	31	24
Venezuela	8,547	12.8	—	1,089	1,089	200.0	1,252.2	5	8
Colombia	1,837	11.4	—	110	110	—	42.0	10	10
Peru	329	1.7	189.5	350	350	—	91.0	30	34
Bolivia	187	6.7	—	15	15	15.0	35.0	19	20
Brazil	5,867	5.3	—	3,308	3,501	312.0	556.0	44	52
Uruguay	384	7.9	38.0	82	82	—	na	na	na
Paraguay	241	na	—	15	15	—	na	na	na
Guatemala	187	na	—	15	15	—	na	na	na
Ecuador	578	5.5	17.8	17	17	7.9	167.0	4	2
Panama	na	na	25.1	14	152	166	135.0	127.0	na
Costa Rica	157	2.4	6.8	—	—	—	na	na	na

On sharing a bed

by Andrew Tarnowski

Whatever the effectiveness of President Carter's human rights campaign, and of American restrictions on aid to offending governments in Latin America, American businessmen in the area are

among its strongest critics. Mr. Gerald Ford, Mr. Carter's executive director of the American Chamber of Commerce in Argentina, prefers not to comment. But the spokesman on the wall behind his desk, who is responsible for the portrait of the American President speaks volumes: it

is still occupied by that of Mr. Montese, the executive director of the American Chamber of Commerce in Argentina, who is outbought by Congress, and the strictures on human rights are made harsher than he himself. One exception to this rule is on military aid they are largely ineffective.

Six Latin American countries are now without military aid from the United States, cut off because of violations of human rights or rejected in a bluff. They are Chile, Argentina, Uruguay, Brazil, Guatemala and El Salvador.

In 1975 Congress cut off General Augusto Pinochet's Chile, which promptly announced that it wanted no more help. Argentina can hardly be cut off. Last year Uruguay was cut off. This year, the Carter Administration's proposal to halve Argentina's military aid and its decision not to seek Congress to restore Uruguay's, caused both military governments to reject the aid immediately.

BANCOMER, S.A.
Merges 37 Mexican Banks

With capital reserves totalling 4,200 million Pesos (186 million dls.), 34 affiliate banks of the Banco de Comercio and the Financiera Bancomer (Financial institution), along with Hipotecaria Bancomer (Mortgage institution), were merged into one commercial bank. The amalgamation took place November 21st this year and converts Bancomer, S.A. into the largest private bank in Mexico.

The new institution, Bancomer, S.A. comprises 565 branches throughout the Republic of Mexico; plus a London Office at 85 Gracechurch Street under the direction of Mr Volker Mergenthaler. Additionally, representative offices are maintained in New York, Madrid, Tokyo and a branch offering all banking services in Los Angeles, California.

As a result of the merger Bancomer, S.A. is now permitted to offer all the facilities of a commercial bank in Mexico, including credit operations on a long term and medium term basis, and mortgage operations. The traditional services of trust funds, checking and saving accounts continue as before.

Simultaneously announcement was made of the election of Manuel Espinosa Yglesias to the Presidency of Bancomer, S.A. and the formation of an Executive Committee composed of Victor Manuel Herrera, Alvaro Conde, Ignacio Castilla and Eugenio Eraña.

under emphasis on punitive measures to promote human rights. The risk of provoking reactions which could not only undermine our national interests, but could also harm the human rights situation in Latin America, say the United States are like sharing a bed with a sleeping elephant. The United States has said, for example, that it would welcome publication of a list of the military Government's political prisoners, whose number is still unknown.

The other side of the coin, however, is that the American private arms industry could lose the chance of offering Argentina arms worth more than \$250m if she were to be cut off.

American policy has been less effective in trying to peg international loans and development aid to the human rights performance of recipient Latin American governments. Indeed, while Argentina, for example, is too developed to qualify for direct aid handouts, the International Monetary Fund and private American banks have flooded the military Government with all the loans it has requested.

It is the lingering uncertainty over the military Government's policy which is chiefly holding back private investment in Argentina, not considerations of human rights.

In the case of public finance, the American Congress last year instructed the Administration's delegates on the boards of international development banks not to vote for, and sometimes to vote against, loans for countries violating human rights. The institutions concerned with Latin America are the World Bank and the Inter-American Development Bank (IDB).

One loan requested by Chile has been turned down for reasons connected with human rights in recent years, but the United States has had no success in barring loans to Argentina. Confident in the programmes of Dr José Martínez de Hoz, the Economy Minister, the World Bank has opened its doors wide to the military Government, since the coup in March, 1976, after keeping them shut for three years against the economic incompetence of the previous Peronist government.

It has granted Argentina

Lloyds Bank Group in Latin America.

Through its subsidiaries, the Bank of London & South America and the Bank of London & Montreal, Lloyds Bank International has been established in Latin America for well over 100 years and is the only British bank with a branch network covering virtually the whole of Latin America, with a strong presence in all the important financial centres.

In addition to the traditional range of financial services provided by our branches, our special knowledge of the people, the markets and local conditions, makes us uniquely well-equipped to assist international companies with import and export arrangements, the introduction of capital, access to local finance, joint-ventures and all other aspects of trade with Latin America.

For further information, please contact our Latin America Division in London or any branch of Lloyds Bank Limited.

LLOYDS BANK INTERNATIONAL
40/66 Queen Victoria St. London EC4P 4EL. Tel 01-248 9822
A member of the Lloyds Bank Group

LBI, the Bank of London & South America and their subsidiaries have offices in: Argentina, Australia, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, Egypt, El Salvador, France, Federal Republic of Germany, Guatemala, Guernsey, Honduras, Hong Kong, Iran, Japan, Jersey, Malaysia, Mexico, Monaco, Netherlands, Nicaragua, Panama, Paraguay, Peru, Philippines, Portugal, Republic of Korea, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom, U.S.A., U.S.S.R., Uruguay, Venezuela.

continued on next page

Half-hearted approach to difficulties

by a Special Correspondent

Developments that might have been expected in the economic sector in Latin America in the aftermath of the oil crisis, particularly over the past year of economic recession, have largely failed to materialize. The most obvious change, Chile's withdrawal from membership of the Andean Pact, was a negative one which failed to spur any quick reaction. And in general the rather lethargic approach of the pact's parent body Lafta (or ALALC), the Latin American Free Trade Association, has been typical.

There are three overriding problems that the various multilateral business associations have all had to face. First, trade within the Latin American area has historically grown less rapidly than world trade in spite of its generally higher levels of gnp and population growth. Second, attempts to expand the growth rate of manufactured goods (the sector for obvious reasons of greatest potential), have not met with much success in those sectors which form the basis of a modern industrial state, namely the steel, motor and shipbuilding industries.

This is a difficulty shared with all developing areas. Latin America's third problem stems from an indigenous trait, the desire to father multilateral and bilateral organizations even where the determination to make them work, especially when this implies national sacrifice, is sorely lacking.

The most broadly based grouping is Lafta, set up by the Montevideo Treaty of February 1960. This provided for the removal of all major restrictions to trade between its members by June 1973, a date which has since been postponed to 1980. The objective is now most unlikely to be reached, even by then. Delays in tariff reduction are due to a multiplicity of causes. The most outstanding has been the inability and unwilling-

ness of the most developed Latin American nations, including Brazil and Mexico, to change their industrial development programmes to allow areas of specialization for the others.

The less developed countries have been pressing for Lafta's status of free trade area to that of a much more complex regional community responsible for planning, aid programmes and a variety of other measures. Unfortunately for its sponsors, there has been little support for the idea. It has however been agreed that no serious discussions will take place on the subject until after 1980.

Analysis of intra-Lafta trade shows that it has been only partly successful. Latin American exports have declined from 10 per cent of world trade in 1950 to 6.2 per cent in 1960 and to less than 4 per cent last year. Intra-regional trade as a part of Latin American exports has grown, with the result that intra-regional trade has been steady over the past 15 years at close to 0.5 per cent.

Thus what success has been achieved has been defensive; declining participation in world trade has been slowed—a move that might have occurred anyway as the Latin American nations built up their manufacturing industries and the export of manufactured goods.

Possibly the most successful development emanating from Lafta has been the Andean Pact which initially included Bolivia, Chile, Colombia, Ecuador and Peru, and was joined in 1974 by Venezuela before losing Chile last year. Its aim is to develop a genuine common market entailing a common external tariff, specialization on the various sectors of the economy, and common monetary, foreign exchange, fiscal and social security policies.

The most notable achievement has been the formation of a common policy towards foreign investment (the principal reason for the departure of Chile when



Sixteenth-century Spanish helmet styles survive in the headwear of these Bolivian villagers.

it embraced a more monetarist and internationally open economic approach) and the planning agreements between the sectors. These have been concluded for the petrochemical, metalworking and motor industries, although the first had to be renegotiated on the entry of Venezuela to the pact, and again on the departure of Chile. Only slow progress has been made for other sectors, including steel, chemicals, electronics, pulp and paper, pharmaceuticals and glass.

Typical of the nationalistic approach and the half-heartedness of the pact is the motor industry. It has been debated since 1973 and redrafted five times. The emphasis is heavily on the defence of

members' national interests. The final agreement concerning coproduction rather than more specific specialization that could, arguably, have been expected to have had more impact on trade, productivity and the external competitiveness of the industry.

The agreements reached have inevitably led to bad feelings. Bolivia, for example, at the beginning of 1977 publicly discussed possible withdrawal from the pact, claiming that it had received little benefit. But the reasonable progress that is being made—involving the signing of three planning agreements and the working out of the details of 17—is now subject to two threats.

First, the members have received differing degrees of benefit. Colombia, with its relatively developed industrial sector and its larger population base, has obviously done best. It has quadrupled its exports to the Andean Pact countries in the last six years, while Chile, Peru and Bolivia have suffered the resulting inter-group deficits.

The second threat is the disintegrating political agreement. In 1969 all the Andean Pact members were economically nationalist and of varying hues of radicalism. Since then Chile and Bolivia have undergone a dramatic political change, but Peru also has moved towards the other end of the political spectrum. These factors, and the gen-

eral tendency to run out of momentum, may slow further progress. The three other essentially regional groupings—Caribbean, the Central American Common Market, and the Organization of the River Plate Basin—have also been in constant danger of losing momentum. The first, which emerged from the Caribbean Free Trade Area (Cafeta) should have reached agreement on internal tariff reduction after outstanding difficulties had apparently been resolved in July 1976. Unfortunately other questions have arisen between the 13 members and no major breakthrough in terms of action has yet been made.

Some political success, however, has been achieved in negotiations over the Lomé Convention with the EEC. Barriers to progress in Caricom also centre on the differing size and level of development of its members with Jamaica, Trinidad and Tobago, Barbados and Guyana dominating the agreement. Other constraints are the small size of the overall market and the fact that nearly all the members have balance of payments deficits. The Central American Common Market (CACM) has been dynamic and quite successful although obviously negatively affected by the El Salvador-Honduras dispute. Proof of its success is provided by farm product statistics, which show that in the 1960s intra-CACM imports rose by 14 per cent a year compared with import growth from third countries of two per cent a year. Unfortunately, this trend has since been reversed. But CACM's various new institu-

tions, such as the Central American Monetary Reserve Fund and the Central American Institute for Research of Industrial Technology have at least been able to pursue sensible policies which allow hope for further development.

Finally, institutional progress has also been made among the Organization of River Plate Basin countries. The Financial Fund, agreed in principle in July 1975, started to operate last September with an initial paid up capital of \$20m for development projects, in the first place in the three smaller member countries, Bolivia, Paraguay and Uruguay. The great advantage of the organization is its flexibility.

Of a somewhat different nature are Ceca and Sela, the IADB, and the Latin American Federation of Banks (Felsabam) whose principal aim is to coordinate and promote the work of, and the links between, the various credit agencies that operate in Latin America. Sela is unique in that it includes all members of Lafta, and CACM, as well as several Caricom members, with an eventual aim of bringing the three associations under one umbrella.

It overcomes the disadvantage of the size by adapting a flexible approach and by encouraging bilateral arrangements. Its most outspoken success to date has been the joint position adopted by its members at the Unctad IV conference in Nairobi in 1976; but its various sector committees true where actual action has been taken, the ability to dialogue on a variety of issues of importance to the region. It also looks prob-

able that Sela will play an important role in determining the policies and actions of the group of 77 countries.

The Inter-American Development Bank has also continued its substantial development work. There are two recent trends of importance: first, there has been a changing emphasis in the past year in the bank's lending away from the basic service towards increasing productive potential; second, while it appeared that the bank's activities were threatened by the Harkin Amendment on United States lending to countries that violated principles of human rights, there is as yet little evidence of this happening. A loan for El Salvador has been abandoned and at least one for Chile delayed, but it now seems improbable that the bank will suffer severe constraints.

These agencies and organizations are the most significant and most widely known, but there are others of a specialist or more limited nature that continue to operate, and will no doubt expand and multiply. While it is important to recognize that there have been many achievements by such groupings as the Andean Pact and the IADB together with the real economic progress that such steps have allowed, the Latin American propensity to further multinational institutions may be the reason for the survival of some of the organizations. This is particularly true where actual action has been taken, the ability to dialogue on a variety of issues of importance to the region. It also looks prob-

Impact of Harkin Amendment
World Bank loans in 1979 financial year (US\$m)

	Total	Jeopardized by Harkin	Purpose
Argentina	200	140	Ports, railways
Brazil	640	390	Steel plants, railways, roads, intermediate credit institutions
Chile	110	90	Power plants, roads
El Salvador	35	35	Power plants
Haiti	23	15	Power plants
Nicaragua	22	12	Intermediate credit
Paraguay	33	7	Airports
Uruguay	39	—	
Total	1,102	589	

Source: World Bank Latin America Economic Report 14 October, 1977, volume V, No. 40.

Lafta's trade

	1950	1960	1970	1975
Intra regional trade as % of Latin American total exports	—	8.7	13.4	14.3
Latin American exports as % of world trade	10	8.3	5.2	3.8

On sharing a bed

continued from previous page

three loans totalling \$320m for electrical, road-building and industrial development. On these, the United States registered one favourable vote and two abstentions, each time making statements on human rights in Argentina. The World Bank, however, is now considering three more loans totalling \$480m for Argentine silo construction, agriculture and hydro-electric development.

In the IDB the United States delegates has at least twice voted tactically against loans for Argentina. Five have been approved for a total of \$292m to be used for projects as varied as pulp paper plants and an underwater gas pipeline in Tierra del Fuego. Ten more loans totalling \$660m are under consideration.

These loans are crucial for a decapitated country such as Argentina, and the United States is facing charges in both institutions of trying to bring political considerations to bear on them. American delegates therefore weigh carefully whether loans will directly help the needy in countries where human rights are not respected, and they vote favourably if so. But they voted against an \$87m IDB loan for the Argentine gas pipeline, even though Buenos Aires would be without gas for a while in a hard winter without it. Whatever the United States criteria, its stand on human rights has not found favour in the IDB and the World Bank. Indeed, in the Inter-American Development Bank a United States vote against a loan probably ensures a majority for it.

The American Government's other weapon is its Export-Import Bank. Although not a development institution but a promoter of United States exports, it is subject to a congressional exhortation to pay heed to human rights.

Chile's access to Eximbank credits has long been restricted, originally because of the economic disaster under President Salvador Allende and now for political reasons. But Argentina has had no credits refused.

Since the coup the Argentine state railways have received \$20m, and a private construction company received a credit of \$3m to buy heavy earth-moving equipment. The chairman of Eximbank, however, is close to President Carter and it may soon be instructed to refuse Argentine credits, even if American exports are to suffer. In that case, Argentina would probably turn to Japan for export credits.

Economic Development in Mexico: The Outlook

After the severe difficulties encountered during the last months of 1976, the main task of the new Administration headed by José López Portillo, who took office on December 1st, 1976, has been to restore confidence in the future of the Mexican economy and its political institutions, which have served the country so well for more than half a century.

Mexico designed a financial programme to gradually reestablish the internal and external balance of the economy over a period of 3 years, in order to reduce to a minimum the social and political cost which was witnessed in the magnitude required necessary involves. In support of this programme an Extended Fund Facility Agreement was negotiated with the IMF, and became effective on January 1st, 1977.

The policy measures adopted by the Mexican Government are designed to be carried out in a sustained effort to be carried out over the period of the present Administration. In these efforts, the central bank, Banco de México, has played a major role. Following the course charted by President López Portillo, Governor Rosendo Kolbeck the General Director of the Bank, established as a key short-term objective of the central bank: to restore confidence in Mexican financial institutions, so as to stimulate a revival of savings as a prerequisite for supporting productive activities, as well as the long-run policy financing required by the public sector. Long-run policy and flexible banking system in Mexico, in the face of a changing international financial structure.

The management of interest rates and the use of legal reserve coverage, the response of savings to these measures, and the policy in Mexico. The latter is the main internal policy instrument, which has been used in an orthodox manner to influence the money supply in quantitative terms; but it is also used in a more qualitative manner to allocate credit to priority sectors. The management of interest rates is the main external policy instrument and, accordingly, the differential with respect to interest rates prevailing in the world financial markets is narrowed or widened as the central bank sees fit to induce or restrain capital flows.

On May 23rd, Banco de México introduced a flexible policy on interest rates, by which minimum rates payable on peso time deposits rose sharply—from 13.42 to 16.52 per cent—while, coupled with favourable tax incentives, the maturity range for time deposits was widened to better accommodate the needs of savers. It should be mentioned that the interest rates differential between Mexico and the financial markets in New York shows a nominal gain for the former of around 9 per cent for the individual investor. As a result of maintaining a flexible interest rate policy at sufficient levels to attract internal and external savings, the response of savings to these measures has been most favourable. Thus, total peso liabilities during 1977 have grown by about 65.3 billion pesos (\$2.9 billion), out of which 20 billion pesos (900 million) have been deposited in the central bank, reflecting increasing net yields to the investor. The confidence of savers in the public management of the economy as well as the resulting expectations for a brighter future.

The legal reserve requirements were reduced, on average, from 55 to 39.5 per cent in April to increase the availability of funds for selected fields of the private sector. Also, with the same purpose of promoting investment, Banco de México established a "swap" mechanism, by which Mexican companies that obtain dollar credits from abroad make a dollar deposit in a Mexican commercial bank which, in turn, deposits the full amount with the central bank. Upon receipt of the dollar deposit, Banco de México opens a rediscunt line in pesos to the commercial bank which, in turn, grants a peso credit to the private firm. Upon repayment of the peso credit, the private firm obtains the same amount of U.S. dollars deposited at the bank in exchange of the date of the original deposit. It should be emphasized that these "swap" operations are not granted automatically, but must be reviewed and approved on a case-by-case basis by the central bank, which, through this mechanism, firms may obtain dollar credits and be protected against exchange risks. To date, Banco de México has received applications for this special programme of more than \$1 billion of which \$250 million dollars has already been approved.

Inflation hampered Mexico's economy during 1976. Since the peak reached in October of that year, when consumer

prices rose by 5.6 per cent a month—an increase which reflected the exchange rate depreciation in September of 1976—prices have shown a favourable trend. The latest available figures show that substantial progress has already been achieved, since the average monthly increase in the Consumer Price Index from May through September was 1.5 per cent. Last October, the Consumer Price Index rose only 0.6 per cent and the Wholesale Price Index decreased 0.2 per cent.

Monetary policies have been coupled with a variety of other economic instruments, leading to the adjustment of the economic system. A reflection of this is the remarkable strengthening of the external sector of the Mexican economy. For the first three quarters of 1977, the current account deficit fell from \$2,484,000,000 in 1976 to \$1.1 billion. By the end of 1977, it is expected that this deficit will reach about \$1.6 billion, compared to the 1976 deficit of \$2.5 billion. The reduction of the current account deficit has led to a decline in the rate of which Mexico has resorted to financing from abroad during 1977. As a result, net external borrowing for this year will be about 50 per cent less than that required during 1976.

All these factors have contributed substantially to the stabilization of the Mexican exchange rate which, since March, has fluctuated no more than 1 per cent with respect to the U.S. dollar. It can be said that, during the current year, Mexico entered a mature floating exchange system.

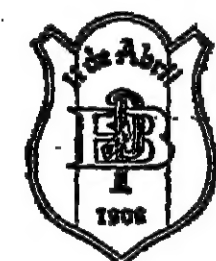
Worthy of mention also is the fact that Mexico's proven oil reserves now stand at 16.9 billion barrels, with estimated reserves amounting to 29.2 billion barrels, and likely reserves of up to 120.0 billion barrels. For its monetary policy of these resources, Petroleros Mexicanos (PEMEX) has planned capital expenditure for the period 1977-1982 of about \$1.5 billion. This will allow PEMEX to satisfy internal demand and to be able to increase exports from about 200 thousand barrels a day in 1977 to over 1.1 million barrels a day by 1982. The oil boom in itself, and because of the high cost of this sector with other areas of the economy, particularly heavy industry, petrochemical, fertilizers, etc., should ensure that, in the medium-term, Mexico will be able to achieve high rates of growth and employment. It should be emphasized that Mexico's economic policy includes a large and dynamic manufacturing sector, a growing hi-tech industry, mining, tourism, among others.

At present, the outlook for the Mexican economy during 1978 is most favourable. The Government Budget for 1978 is based on a 10 per cent increase in the real growth rate of the GNP. The central bank will gear its monetary policy to provide an adequate availability of funds for the investment to the private sector. Meanwhile, external indebtedness will be in accordance with the debt capacity of the country, and inflation will continue to subside.

In order to fulfil the long-run requirements of the Mexican economy, the financial and monetary authorities are aware of the need for a more competitive and flexible financial system. Until now, Mexico's financial authorities have been using the traditional techniques of monetary control, such as varying legal reserve requirements and selective credit control, and instituting a more flexible interest rate policy. The development of public finances and a more efficient monetary policy has produced a new financial instrument for Mexico—the Treasury Certificate. This new instrument will allow the central bank to add, as a technique for monetary control, open market operations, whereby it will be possible to affect the cash basis of the banking system and the structure of interest rates—existing, at the same time, an effective secondary market in Treasury Certificates and an effective instrument for financing short-term needs of the government.

Another development that has been taking shape is the emergence of multiple banking institutions. This new type of institution was established through the merger and consolidation of different types of institutions: commercial banks, savings and loan associations, investment banks and mortgage credit institutions—into one multiple service institution with higher capital assets, greater competitiveness position and a broader basis for deposits, security issues and investment diversification of its resources.

The country's banking and financial sector has played an important role in economic development. The past years have served to restructure its services, and the future learned from it will not be lost. The Director of Banco de México has repeatedly stated that the extremely favourable future of Mexico lies within the policy of economic development that stimulates the productivity, gives of wider employment and social justice.



BANCO DEL PICHINCHA

With 71 years of experience, is the oldest and leading commercial bank in Ecuador.

Correspondents in the main commercial cities of the world.

Main Office/
International Department
P.O. Box 261
Cable: PICHINCHA
Telex: 2361 BAPICA ED
Phone: 217803

Principal Branches

Guayaquil
P.O. Box 5881
Telex: 3311 BAPIGU ED
Phone: 526830

Manta
P.O. Box 19
Telex: 6172 BAPIMA ED
Phone: 612844

هلا من الاصل

On this and the following two pages correspondents analyse the economies and other aspects of 11 countries

Don't cry for Argentina

by Andrew Tarnowski

October produced Argentina's worst monthly inflation for the year at 12.5 per cent, and bankers expect the total to be about 170 per cent—a far cry from the 100 per cent originally forecast by the Government. It also brought widespread public sector strikes which gave Dr José Martínez de Hoz, the Economy Minister, his worst moment since the military coup in March 1976.

However, political considerations apart, neither he nor foreign bankers and businessmen are dismayed by the way the economy is going. The 1976 inflation total of 350 per cent has been halved, while a certain over-heating of the economy has been permitted to keep unemployment down to 3.3 per cent.

Other achievements include an agriculture-led export boom which has swollen foreign reserves to

\$4,000m—the equivalent of a year's imports—compared with about \$50m and imminent default on foreign debts before the coup.

A 7.9 per cent third quarter growth over the same period of 1976 has been typical of periods after deep recessions, but was also encouragingly up in constant terms on the same period of 1974, the year before Argentina's recession started. The advance was noticeable in industry, as well as agriculture, with September vehicle and crude steel output up 48.8 and 41.5 per cent respectively over September, 1976.

However, the 1977-78 harvest and agricultural exports will be down on last year's record because of drought in some areas, uncertainty about world grain prices and meat outlets, and the high cost of finance. Officials believe, however, that production will be down only about 7 per cent.

Argentina's international credit rating is excellent, but private foreign investment remains disappointingly

low because of political uncertainty and the complex bureaucratic provisions of the Government's otherwise encouraging foreign investment law.

The results of tenders for risk contracts to explore for oil in Tierra del Fuego and the southern continental shelf are not yet known. Foreign companies are reportedly reluctant to accept payment in dollars, as offered, rather than in disposable cruises.

The central economic question remains the budget deficit. Dr Martínez de Hoz is battling to honour his International Monetary Fund commitment to reduce it to 3 per cent of gnp, compared with more than 13 per cent at the end of the 1976 period. A liquidity squeeze and budgetary hold-down has been imposed since July, and it appears the Government will be near its target. The 1978 target will be 1 per cent.

Official expectations, shared by some bankers, are that inflation will thus fall to 95 per cent in 1978, with monthly rates at 4 per cent by December.

The squeeze, however, is sending the economy back into recession. The high cost of finance—which reached 14 per cent monthly in October—increased and increasingly efficient taxation (tax revenue is up 47 per cent in real terms this year), the hold-down on public sector wages, restriction of export credits and the opening up to imported consumer goods, have also contributed.

Car production led the slump, falling 7.4 per cent in October, and one banker estimated that industrial output began dropping at a rate of 20 to 25 per cent in mid-October. He said the slow down would touch the bottom in January and no recovery was foreseen until April. "From the Government's point of view it is a desired recession



Argentine exports are likely to reach a surplus of \$1,400m by the end of the year largely because of the excellent profits from the grain harvest which totalled a record 11 million tonnes for 1976-77. The picture shows maize being harvested on an estancia at Rosario, near Buenos Aires.

to damp down inflationary expectations. If the economy heats up too fast in the second quarter of 1978 it will pump in the coolers again. The aim is steady growth, not sharp variations."

But the recession is likely to intensify Dr Martínez de Hoz's political difficulties, underlined by the October strikes, and ever-present in the bitter nickname "Martínez de Hambre" (hunger) earned by his wage-pegging policies. Argentina's recovery is taking longer than some people expected, and workers are increasingly impatient with the un-

accustomed harshness of their lot.

While bankers are solidly behind the minister ("we feel he is excellent, capable, and with the military behind him we may reach the goal of defeating inflation," one said), not all are confident that he can indefinitely survive the social and political pressures, particularly since 1978 will bring no spectacular economic advances, but a temporary worsening of foreign trade performance because of reorganization of the sector.

Bankers, concerned about continuity in economic management, admit they felt

a shiver of fright in October. "Whenever there are strikes in the public sector we feel uncomfortably that there may be some military men putting pressure on Martínez de Hoz," said one. "But whenever these crises occur the military are eventually forced to back him," he added.

Another banker was less confident: "Martínez de Hoz gave way to pay demands in October. Perhaps the situation will be repeated in January or March and he may give in again. Then things could snowball, and I doubt whether inflation would be controlled."

Brazil: a branch on every corner

Brazil is a banker's paradise. Industry and commerce have borrowed heavily in recent years to make the investments needed to keep pace with the growth of the economy at a rate of between 6 and 10 per cent in most of the past 10 years.

An industrial slow down has forced many firms to cut production, but they have not been able to reduce their repayments to the banks. Most Brazilian firms that have managed to match the fast growth are now indebted to beyond 50 per cent of their capital value. Many are above the 80 per cent mark. In the absence of a vigorous stock market they have had to turn to the banks for their cash. It would not be unfair to say that the banks now own most of Brazil.

There has been a tremendous concentration of banks in Brazil. In 1950 there were 350 private banks; now there are just over 100. Even this figure is misleading. There are still many tiny banks with just one or two branches, but the top

10 hold more than 70 per cent of deposits. The Government has indicated to the medium-sized banks that they must either grow or be taken over. Eventually there will probably be just 10 or 15 private banks, controlling almost all the business.

Brazil is undoubtedly overbanked, and there seems to be a branch on every corner. Private banks are not now allowed to open any new branches except in pioneer areas where no bank exists. Foreign banks can no longer expand either; they can only open a new branch if they close an existing one.

In the present tight financial situation banks are flush with funds, but there are few outlets for development programmes. Many of the Government's chief projects, such as railways, dams, power stations and steelworks, have been slowed right down. The banks are therefore now putting vast amounts of cash into the "open" or overnight market. Banks are really lending now try to maintain as close

money to their own customers, who find themselves unable to repay their commitments to the banks from their own resources on the day payment is due and who have to borrow for short periods at high rates of interest. As a result, banking profits are almost embarrassingly high, but banks are trying all sorts of subterfuges to prevent this appearing to be so. The banks do not pay high dividends, as shareholders' capital, like that of most of their clients, is not very significant.

Until a few years ago the Brazilian banking system was still rather suspect. Several failures and scandals occurred, the most famous being the Banco Hales affair of 1974. The Government has had to pay out more than \$300m in compensation to banking clients during the past few years. Its more recent policy has been to force ailing or bankrupt banks into a merger with stronger ones.

The federal authorities now try to maintain as close a watch as possible on banks, whose books are all inspected monthly by officials from the Central Bank. Like the private banking sector, the state system is complex and strong. It is basically a three-part system. The Central Bank dictates monetary policy; the Banco do Brasil operates as a major commercial bank, and does most of the state's business. The Banco do Brasil is also an agricultural development bank which guarantees support prices to farmers.

It has 1,700 branches throughout Brazil and 47 abroad, including one in London. It marks the Brazilian presence on the world banking scene and serves to attract funds for the country's development. It is now one of the largest banks in the world, as well as being very profitable. It has branches in all the major countries of Latin America, and much of Brazil's business has boomed in recent years.

More than 90 per cent of Banco do Brasil's branches within Brazil are in small towns of the interior. Despite its size there are some "constraints" on its growth. Government policy is to keep the private sector as strong as possible in all activities. There is deep ambivalence in this, however. It is often conveniently forgotten by the ardent defenders of private enterprise that the private sector would hardly exist but for massive state aid. There is a little difference in organization and commercial behaviour between the state and private concerns. Losses are carried by the state in both cases but profits of private industry accrue to the individuals who nominally own them.

There is also a complex development bank structure. The National Development Bank channels funds through development banks in the various states, lending money for important industrial projects. Each state also has its own bank. There is also a major development bank for the north-east, which still lags far behind the rest of the country economically. This bank has recently opened branches in São Paulo and Rio de Janeiro, to compete for funds in these money markets.

Banks have several unusual roles in Brazil. Tax returns and accounts for all utilities, due monthly, are payable through the banks. They compete strongly for this lucrative business, as they are able to hold on to large stocks of money for several weeks. They can thus make loans on the strength of these predictable funds.

The banks are also to become agents for the purchase of stocks and shares by private buyers. An effort is to be made to increase the capitalization of private enterprises by this means, and the banks have been chosen as the appropriate medium to reach the potential small savers, most of whom call at a bank at least once a month to pay a bill.

P.K.

Bolivia: growth hindered

by Patrick Knight

The Bolivian economy has grown at a rate of between 6 and 7 per cent in the past few years. Exports of petroleum products and agricultural goods now account for as much as minerals, and have ended the country's dependence on tin.

But growth has been somewhat hindered by a weak and rather disorganized banking system. There are now 17 commercial banks competing in tiny La Paz, a city of half a million inhabitants. Most of them are foreign owned and even more foreign banks are anxious to join them.

The principal state bank, the Banco del Estado, has been short of funds for many years and has not been able properly to stimulate the economy. Other state banks operating in two specific sectors, mining and agriculture, have both been in difficulties through making loans which they have not been able to recover.

The Mining Bank lent to small, unprofitable mines, while the Agricultural Bank overextended itself with loans to farmers in the east of the country, which is now being opened up for sugar, cotton and soya production. Costs of financing machinery and ground clearance combined with the low prices now being paid because the great distance from any stable market, have made agriculture disappointingly unprofitable for the time being.

Overall, the economy has performed well during the past few years, although Bolivia is still one of the poorest of the Latin American countries. A French geologist on loan to the Government told me that Bolivia was potentially the richest country of the Andes, having massive mineral wealth.

It is also now an important exporter of natural gas; it sells 150 million cu ft a day to Argentina and plans to sell 240m cu ft a day to Brazil, as well as some to Uruguay. Some of its high quality oil is exported to neighbours, but it also enables it to subsidize transport in a country of sparse population and vast distances.

In common with Paraguay and Uruguay, Bolivia operates a free money market, and deposits may be held in foreign currencies. The peso was devalued by 60 per cent in 1956, but since then the parity has not changed. The country's relative stability, and the fact that residents are allowed to maintain accounts in foreign currencies, with a guarantee that they will not be affected if there is a new devaluation, has encouraged a significant flow of funds back to the country.

Bolivia's three chief neighbours, Brazil, Argentina and Peru, all maintain an important banking presence in La Paz, though a limit is expected to be placed on overseas banking within the country soon. The local system is being overwhelmed. Brazil and

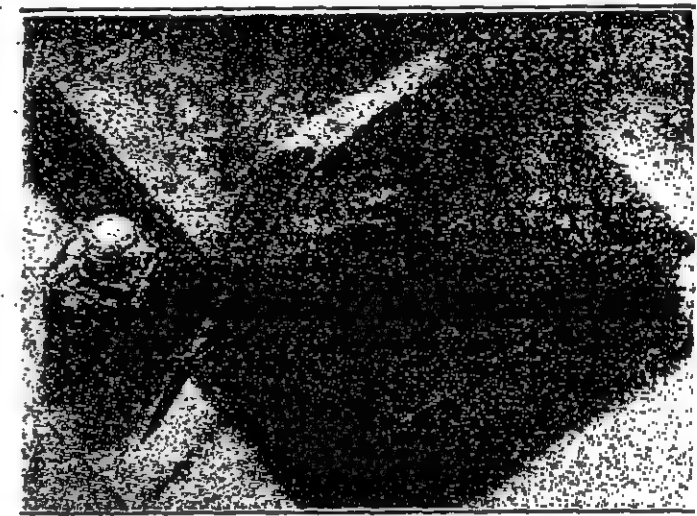
Argentina continue to vie with each other to win Bolivia into their camp. Brazil's trade with Bolivia has risen from 2 per cent of the whole to 20 per cent and it is now also its biggest creditor, after the United States. Argentina, which has been displaced by Brazil, is anxious to reactivate some of its projects.

Bolivia is also a member of the Andean Pact, and has received funds from the other four members. It has been allocated monopoly rights of production for some equipment, guaranteeing it a market 25 times the size of its own 4,500,000, most of whom have a low purchasing power. Because of its inadequate financial institutions, and the almost total lack of trained people, Bolivia has not been able to fulfil its pact obligations, and other member countries are now manufacturing these goods.

Despite its problems, Bolivia made a trade surplus of \$39m in 1976, and has balanced its trade so far this year. It has the privilege of producing its own oil. Although it is not enough to allow it to make massive imports of capital goods, it is enabling it to build up its industry.

It is negotiating with the Brazilians for the sale of gas, in exchange for the financing of a steel plant and other investments. The Brazilians are reluctant for this project to proceed too quickly at the moment, however, as they have underwritten the country's steel, which they now do not really want.

The longest and most successful story of the Brazilian financial market is 143 years old.



The abolishing of slavery, the founding of the republic, the drought of 1899, the turn of the century, the first world war, the depression, the atomic bomb and the second world war are all examples of the political, economical and social disturbances of which Brazil went through, since the year of the founding of Banco Econômico, back in 1834.

During these sometimes turbulent years, many financial institutions came and disappeared or simply went out of business for a period (this last example even happened to the bank of the republic).

It can be said that the Banco Econômico was the only bank that not only survived but even developed, never once failing to meet its engagements, year after year, for one hundred and forty three years.

In the whole world there are not many corporations that can boast of such a long and successful story, in or out of the financial market.

ECONOMICO
O banco da gente.

OWN A CORPORATION IN PANAMA

For information write to:
ESTUDIO CONSULTIVO FINANCIERO, S.A.
P.O. Box 2070,
Panama 1, R.R.

We incorporate and, if required, manage corporations at reasonable terms. Confidential ownership respected. "Aged", unused, corporations available. Postal and commercial services arranged.

anything and everything

in Venezuela is very much easier with BANCO PROVINCIAL S.A.I.C.A.

In the Banco Provincial you will find experts to help you solve any banking operation whether national or international.

BANCO PROVINCIAL
S.A.I.C.A.
Capital, Bs. 75.000.000
a Venezuelan Bank associated with Credit Lyonnais

Su punto de apoyo

Address: Head Office: Marrón a Pelota No. 10
Edificio Provincial - Caracas
P.O. Box: Apartado 1269 - Zona Postal 101
Caracas - Telephones: 561.45.11 - 561.41.22
TELEX: 22837 - 21501 - 22860

Finservica:
your new way in to business and investment in Venezuela

Finservica—Corporación Finservica C.A.—has been recently formed in Venezuela to specialize in the following activities: promotion of industrial, real estate and tourism projects, and their relative financing. Finservica can offer all main investment banking services and act as advisers to British or other European companies who wish to invest or do business in Venezuela. The services offered include: introduction to the Caracas Stock Exchange, corporate finance, public and private placing of shares, and general financial and economic advice.

For further information in Europe please contact any of the International Shareholders listed below:

Venezuelan shareholders:

Banco Latino C.A.
Banco del Centro Consolidado C.A.
Banco Hipotecario de Occidente
Banco Hipotecario Consolidado
Sociedad Financiera Amerindia C.A.
Sociedad Financiera del Centro C.A.
Sociedad Financiera Nacional S.A.
Sociedad Financiera Atlántica S.A.
Latam de Inversiones

International shareholders:

N. M. Rothschild & Sons Limited
Banca della Svizzera Italiana
Banque Française et Italienne pour l'Amerique du Sud S.A. "Sudameris"
London
Lugano
Paris

Corporación Finservica C.A.
Finservica

Edificio Sudameris, piso 12, Oficina 1204,
Avenida Miranda, Esquina Fuerzas Armadas,
Caracas 101, Venezuela. Tel.: 51.06.75-52.02.13
General Manager: Dr. José Vicente Rodríguez Azuar

WE SEE THE ECONOMY CAN SERVE

your international successful bank. Our international as booming Venezuela. With us you can let us serve you. We are with you.

banco

هذا ان الاصل

Chile: improving story

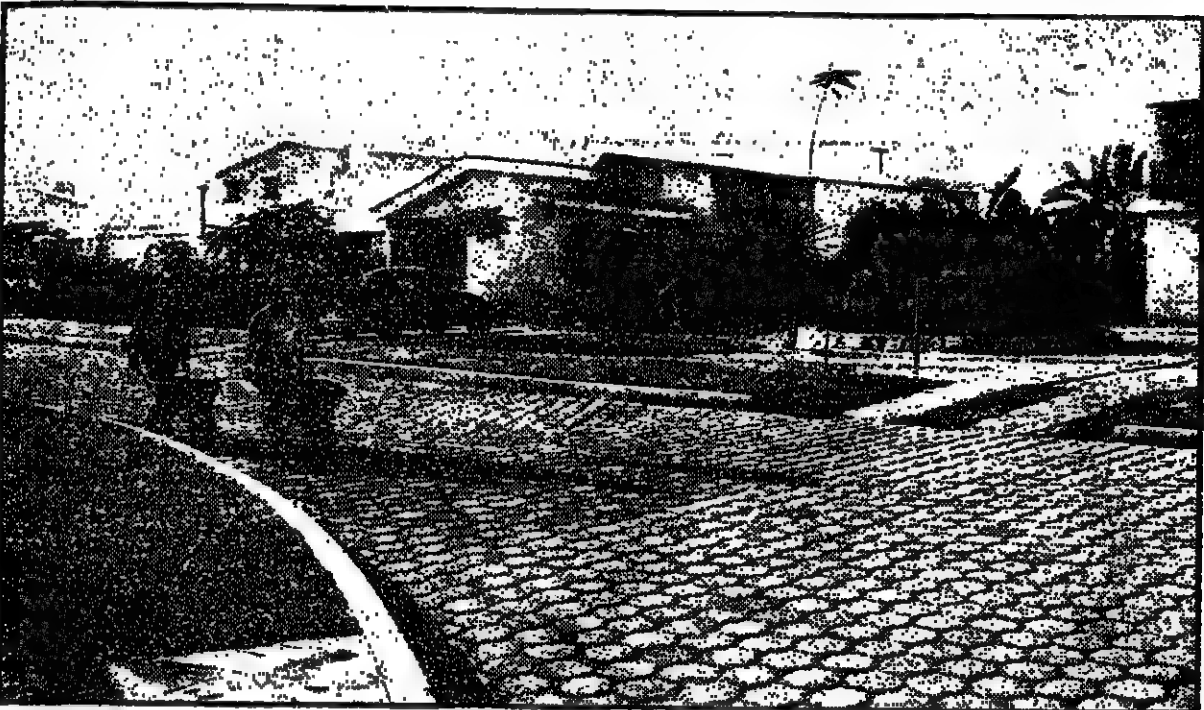
by Peter Strafford

The Chilean economy is beginning to pull out of its long period of recession. After several years of austerity policies, which had their most drastic effects in 1975, the military government has increased public expenditure this year and is trying to encourage growth. Inflation has been brought down from the high levels reached in the years before and after the military takeover in 1973—at one point it was running at a rate of 800 per cent a year—and is expected to be between 60 and 65 per cent by the end of this year. There is hope of bringing it even lower, to a level of 20-25 per cent next year. Even unemployment, which was pushed up to about 20 per cent by the effects of government policies, is down to 12 per cent according to official figures—though this does not take account of people on the official Minimum Employment Programme, whose wages are barely at subsistence level. Here, too, it is hoped that the improvement will continue next year, with the level dropping to 8 per cent. The improvement has been brought about by rigidly orthodox policies along the lines of those advocated by Professor Friedman. One of the main objectives has been to abolish the fiscal deficit in local currency, and this has been so successful that the deficit, which amounted to 33 per cent of expenditure in 1974, was done away with entirely in 1976; there was even a surplus of 4 per cent. Among the measures taken to reduce public spending were a 25 per cent cut in the number of public employees, a reduction of subsidies to private companies, many of them designed to reduce the price of food, and the elimination of transfers to enterprises in the public sector, often designed to reduce the cost of transport. Many of these enterprises were companies that had been taken over by the Allende Government, and most of them have now been sold back to the private sector. The railways, public transport in Santiago, and the Post Office remain in state hands, and they are being run on business lines with increases in tariffs. There has been a radical change in economic policies since the military took over, in addition to the severe repression of political opposition. The policies of nationalization and increasing state intervention have been reversed—apart from the takeover of the large American copper companies, which remain in government hands—and liberal economic principles are being followed. The main price has been paid by the poorer sectors of Chilean society, such as the shantytowns on the edge of Santiago, where unemployment is far above the national average and there is widespread malnutrition. But discontent has been kept in check by the banning of strikes, trade union activities and political opposition. There has also been hardship for many Chilean companies, because the military government has decided to do away with the protectionism that has been traditional for many years, and open the country to the competition of foreign imports. Tariffs have been sharply reduced, and there have been bankruptcies among companies which could not meet the challenge. The Government has lifted the restrictions on foreign banks, most of which were brought under Chilean ownership by the Allende Government, and some are returning. It has also introduced liberal legislation for foreign investment, which it is keen to attract, particularly for new copper mines and oil exploration. Externally, Chile is heavily dependant on the price it can get for its copper. Last year it had a \$455m surplus in its balance of payments, though this was outweighed by the need to find \$1,000m for repayment of foreign debt. But Chile has succeeded in reducing its foreign debt and now that it has regained the confidence of the international financial community, it has been able to raise the necessary loans.

Colombia: beans mean strife

Colombia was given a jolt boom in world coffee prices, the cost of living in Colombia has been cut right back in the past few months. But a law passed in 1975 required the seven foreign-owned banks—including Lloyds Bank—International—to reduce the foreign-owned part of their capital to 49 per cent, with the remaining 51 per cent going to Colombian owners. The decision came as a shock, especially as the process had to be completed by the end of 1978, but all seven banks are now conforming. The process will in fact make the banks blazer and more powerful since they have tended to retain all their existing capital and make new issues to take the required Colombian share. Some of them have chosen to bring in Colombian banks. Lloyds Bank International decided that it wanted to retain its management, however, and has come in with other types of financial groups. P.S.

Colombia has had a traditionally liberal attitude towards the activities of



The World Bank has recently made a \$42m loan to Mexico for part of the second-stage development of a new tourist resort at Cancun (above) on the Caribbean. A complete new town with about 22 hotels has been built in what was virgin jungle five years ago.

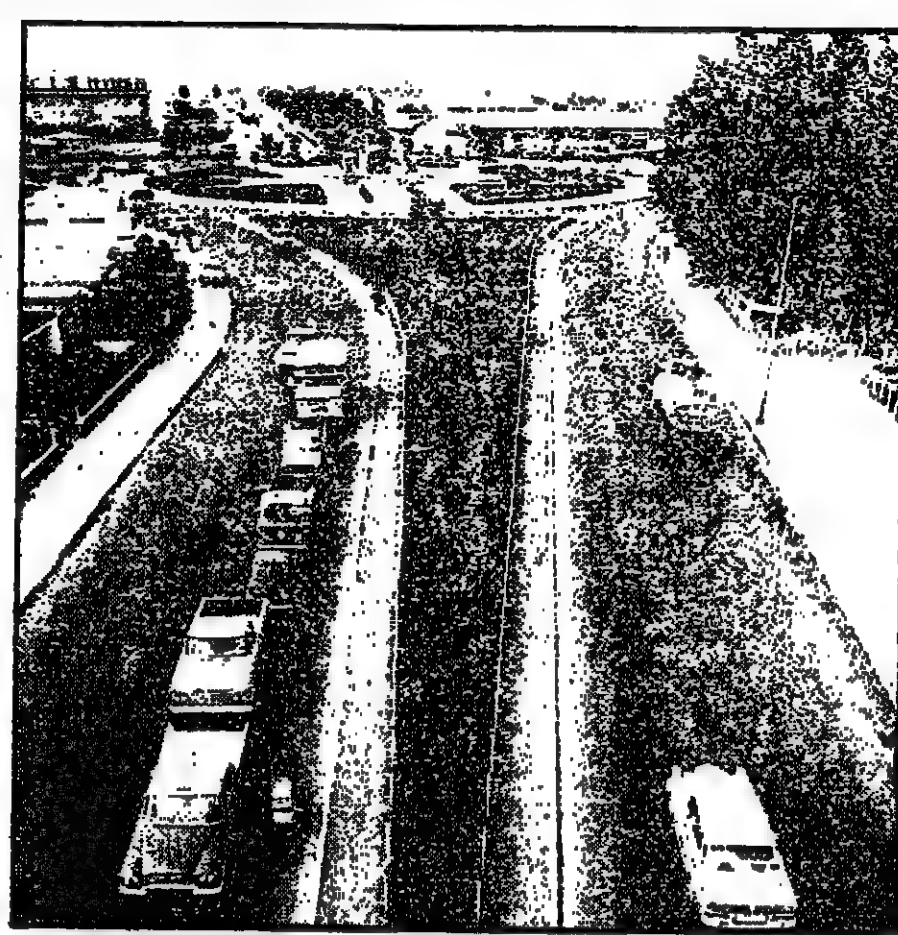
Mexico: budget crisis

by Sidney Wise

The future of Mexico's economic policies hangs in the balance after the dismissal last month of the Minister of Finance and the resignation of the President's other main economic adviser, the Minister of Planning and Budget. Their departure is the result of a dispute over whether to adopt an expansionist or a monetarist policy. President José López Portillo is anxious to adopt a middle of the road approach to his country's problems and the economic disagreement comes at an extremely awkward moment as the budget for 1978 is about to be presented to congress. Following the financial debacle of the post-devolution period last year a stronger, more modern banking system is now being forged. A gradually accelerating recuperation has been achieved by the Mexican banks from the critical period immediately after the August 31 devaluation of the peso. A massive outflow of deposits made necessary a \$20,000m peso rescue loan from the central bank, the Banco de México, less than three months after the devaluation. Since then a steadily mounting measure of confidence has been restored by President José López Portillo during the first 11 months of his administration. With it has come a record flow of funds to the Mexican banks and a recent shift of dollars to pesos by depositors. "We have passed the test of fire and have emerged stronger and more solid," Señor Gustavo Romero Kolbeck, director of the Banco de México, the central bank, said. More than one half of the rescue loan has been repaid. Deposits have risen 24 per cent during the first 10 months, double the 12 per cent rate of increase of the same period of 1976. The total on deposit in the private Mexican banking system was at a record high of more than 360,000m pesos by mid-November. Perhaps the most encouraging sign of more buoyant health of both the peso and the Mexican banks is a gradually increasing flow of dollars to pesos which began in September. This has produced a reversal of the serious "dollarization" of the Mexican banks during the first eight months of the year. More dollars have been flowing to pesos than vice versa during the past three months. The decrease of the amount of deposits in dollars began in September, the first month of the year that deposits in dollars decreased while deposits in pesos increased. At the same time, many of the 516 Mexican banks with 7,300 branches have become more streamlined and modernized. Perhaps more changes have taken place among the Mexican banks during the past 18 months than during the past few decades combined. The "big" banking groups are changing to multi-bank operations. By doing this, commercial, financial and savings banks with a common ownership, which previously operated as separate banking enterprises, are merged into a single corporate banking structure. The five biggest banking groups representing almost 85 per cent of the nation's private bank assets are in various stages of creating multi-bank systems. So are the small and medium-sized banks which are not part of a group operation. The past year has also seen the Mexican banks begin flourishing foreign exchange operations with the advent of the peso float. Another innovation has been the creation of stock brokerage houses by the major banks to trade in the budding stock market. Although substantial progress has been achieved by the banks this year, they remain plagued by an unprecedented peso credit shortage and heavy deposits in dollars. About one sixth of total deposits are in dollars. This has increased dollar loan availability, which few companies want. The Banco de México has created a novel swap device to alleviate this situation. If a company makes a deposit in dollars of a minimum \$100,000, it then obtains a credit for the equivalent amount in pesos. The dollar deposits provide interest at the Eurodollar rate but the annual interest rate for peso loans under this arrangement ranges from 20 per cent for capital equipment to 25 per cent for working capital. This swap arrangement has met with eager acceptance from credit-hungry Mexican companies. More than \$320m in credits were granted under this arrangement, including a single operation for \$100m during the first phase of the programme. September and October were the first two months of the year that the "dollarization" of the Mexican banks decreased. Deposits in dollars declined \$22m in September and an additional \$41m during October as investors abandoned the United States currency the trend continued during November. The decrease was small but local banking observers considered it to be significant since the amount of deposits in dollars has increased every month since January when the total was \$2,215m. The trend of declining deposits in dollars was attributed to the recent improvement of peso quotations in the futures market of the international monetary market in Chicago, exciting petroleum discoveries in south-east Mexico and growing signs of economic recuperation.

Ecuador

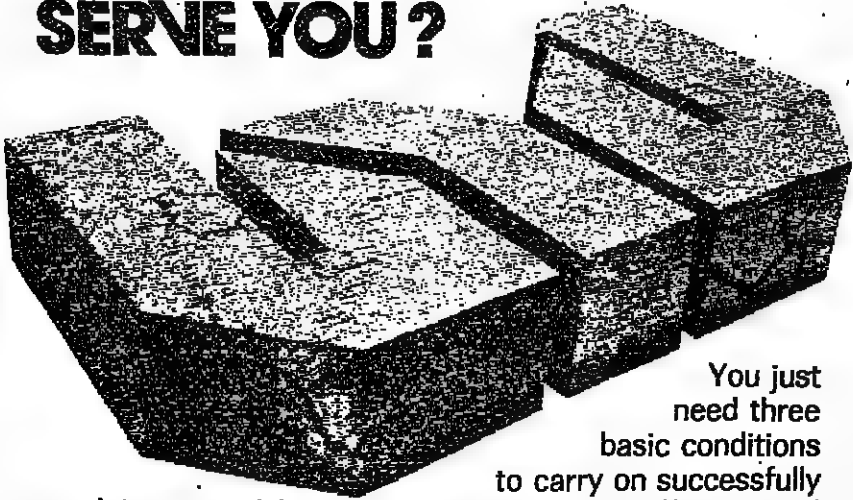
The Ecuadorian banks are gradually being adapted to the new financial requirements of an economy which has more than doubled its gross national product in six years under the stimulus of an oil boom. Until Ecuador became a petroleum exporter in 1971, the banking system operated to serve the needs of an agricultural economy based mainly on bananas, coffee, cacao and sugar. Now alterations are being made by the Ministry of Finance to create a banking system more compatible with the needs of a nation in the process of semi-industrialization. Ecuador's recent affluence, due principally to rich petroleum exports which have more than quadrupled monetary reserves since 1970, has not been without problem of inflation. An expansion of the money supply and financial requirements far beyond domestic capacity are only two of the new problems faced by the Finance Ministry. To revise the banking system and make it more compatible with the new stage of the economy, the public sector role has been notably increased. Several new government banks have been recently established including the Banco de Desarrollo del Ecuador. It is aimed at providing financial resources for development projects and to negotiate credits abroad on behalf of state agencies. Other recently authorized government institutions include a bank for the coffee industry and one for military industrial development. The Government has also tightened controls over several vital aspects of private bank operations. Due in part to widely publicized financial difficulties of a bank in Quito, the Finance Ministry had adopted a law regarding bank liquidation aimed at providing greater protection to depositors. Measures have also been taken to control more strictly credit ceilings and reserve requirements of the Ecuadorian banks. The Banco Central has taken steps to regulate the money supply which in May had increased 40 per cent over the level of the previous year. One such measure is an authorization for the Banco Central to sell bank acceptances on the free market and to repurchase them before maturity. The Banco Central celebrated its fifth year of operation in August.



S.W. The Avenue of the Americas in Guayaquil, Ecuador.

Quando usted precise de un banco grande en Brasil, cuente con el Itaú.

WE SERVE THE INTERNATIONAL ECONOMIC WORLD CAN WE SERVE YOU?



You just need three basic conditions to carry on successfully

your international banking contacts: a fast, efficient and successful bank.

Our international services are as dynamic and trustworthy as booming Venezuela.

With us you can cover the whole world.

Let us serve you.

We are with you (and your business) wherever you need us.

banco Nacional de Descuento
CARACAS - VENEZUELA

ESTAMOS SIEMPRE CON UD.



El 2.º mayor banco particular del Brasil. Mas de 750 agencias en todo el territorio brasileiro.

Panama: a dream coming true

by Sidney Wise

Panama is preparing to become the host country of a long-dreamed-of bank. By next May the newly-created Latin American Export Bank is expected to open for business in Panama City. The choice of Panama as the site of this bank is appropriate. Besides its convenient location as the bridge between North and South America, Panama has been an important sponsor of the bank principally composed of the central banks of Latin America dedicated to financing the rapidly expanding exports from the region.

An authorized capital of \$99m. A commitment was made of \$8m of an initial target of \$20m of paid-in capital with which the new banking institution will start functioning.

In addition to the shares held by the central banks of 19 Latin American nations, there will be two other categories of stockholders in the bank. One will be for private Latin American banks and the other will be for big international banks operating in the area.

The chief architect of the Latin American Export Bank, Dr. Nicolas Ardito Barletta, Minister of Planning and Economic Policy of Panama, explained that the institution would fill a vital need in financing the swift rise of manufactured goods exports from the region which by 1980 would reach \$17,000m. Dr. Ardito Barletta has played a talented role in winning

agreement on the bank from 19 Latin American nations with jealous, nationalistic attitudes. Among the private banks which are expected to pledge the remaining \$12m of paid-in capital are Chase Manhattan, Citibank, the Royal Bank of Canada, the Toronto Dominion Bank, the Banque Nationale de Paris and Daichi Kangyo of Japan.

Panama may be among the Latin American nations to benefit most from the Multinational Export Bank. During the past six years Panama has developed into an important world financial centre. A network of powerful international banks already operating in the country can channel substantial amounts of financing through the Latin American Multinational Financial Institution.

Assets of these banks, which total \$10,000m, include most of the banking giants of world finance. The multinational Latin American Bank will provide a new source of growth to Panama's already booming banking industry. Bank assets have increased at an average annual rate of 50 per cent during the past decade.

The big foreign banks in Panama concentrate most of their activities on off-shore operations, acting as dollar distribution centres, for international financing. The location of the Latin American Export Bank in Panama seems likely to spur further the dramatic rise of this tiny isthmus nation as an important world banking and trade centre.

Frequently termed "the Latin Switzerland" because of its bank secrecy laws, numbered accounts and ease of banking operations, Panama's bright banking future will probably be enhanced when the Latin American Export Bank

opens for business within six months.

To the north of Panama in Central America, a much smaller regional bank of different characteristics has made significant progress this year.

The Central American Bank for Economic Integration (Banco Centroamericano de Integración Económica) has been buoyed by the coffee boom of the past year which has brought prosperity and trade surpluses to the region.

The bank is one of the prime instruments for promoting and developing the economic growth of the Central American common market. With headquarters in Tegucigalpa, Honduras, the Regional Bank provides mostly dollar loans for economic development of the five member nations of the area. The first member nations of the Regional Bank are El Salvador, Guatemala, Honduras, Nicaragua and Costa Rica.

Peru: a military regime

by Peter Strafford

The economic climate of Peru has changed a great deal since the present military regime took over in 1975.

The process of nationalization has stopped and there has even been some denationalization—of the important fishmeal industry last year, for instance. This summer, new regulations were issued which allowed foreign banks to expand their activities, something that had not been allowed since the previous military regime took power in 1968.

The most spectacular development on the banking scene has been the agreement with the newly formed Banco Arabe-Latinoamericano, allowing it exemption from certain taxes and giving it an exceptional freedom to operate. The Peru-

vian authorities were particularly keen to attract the bank to Lima, and they clearly hope that other foreign wholesale banks will now want to set themselves up in the country. There is some talk of the Banco de Brasil and the Banco de la Nación Argentina being interested, provided they can negotiate suitable treatment.

The Banco Arabe-Latinoamericano has initial capital of \$100m, with a 60 per cent shareholding by Arab banks and most of the remainder split up between Latin American banks, including two in Peru, the Banco de la Nación, owned by the state, and the Banco de Crédito, which is private.

Like other foreign banks, it will have its business in local currency severely restricted. The fear of the Peruvian authorities is that money might put their money into foreign banks,

which would then lend it to multinational companies, instead of making the multinational raise their money abroad.

In recent months, the economic situation has been dominated by Peru's payments crisis, and fears that it might default on its loan payments. A first agreement with the International Monetary Fund, negotiated by Señor Walter Piazza, then Finance Minister, was rejected by the Government because its terms were felt to be too harsh. In July, the unions called a one-day general strike against the austerity measures announced by the Government, and it was surprisingly effective.

An agreement was eventually worked out with the IMF with slightly easier terms—principally less insistence on reducing the budget deficit—which meant that Peru can now raise the money it needs internationally. But the difficulties of the economy remain, caused by too rapid industrialization, too big an increase in public spending—including buying arms from the Russians—the drop in the price of copper and sugar, and the collapse of the fishmeal industry.

The main question now is whether the Government will be able to enforce the austerity measures it has agreed with the IMF, which have had the effect of raising the price of food and transport.

There have been further signs of discontent, as well as the strike in July, and if this spread there are fears that there could be a revolt by left-wing elements in the armed forces. As a palliative, the Government has called elections for next year and undertaken that the armed forces will return to their barracks. But a lot could happen before then.

Uruguay and Paraguay: contrasts

by Patrick Knight

Paraguay and Uruguay are similar in size, have roughly the same sized population, and are now both ruled by rough right-wing governments backed by the military. But there the similarities end.

Uruguay has been an important country on the world trading scene for decades and has built up a strong banking sector. Special circumstances made it known as the "Switzerland of South America" in the 1940s and 1950s. Paraguay, on the other hand, has until recently been almost entirely cut off from the outside world. Access up the River Parana from Buenos Aires is still possible only for ships of less than 6,000 tons. As a result, it has stood still for decades. Its income is about \$400 a head, one of the lowest in Latin America; that of Uruguay is about \$900.

It took Uruguay 20 years to recover from the slump in its wool and meat exporting business, profits from which had enabled it to build some of the finest banking buildings in the New World. Montevideo's venerable banking district is reminiscent of the City of

London, with massive marble buildings, and nothing built this side of the 1950s: very different from Buenos Aires or São Paulo. But it is only in the past couple of years that Uruguay has regained some of its previous banking status. The reason has been its internal stability, achieved at high political cost, and the creation of a free money market.

Sandwiched between two immensely rich neighbours, each with its financial problems, Uruguay has been able to assume a new role. Argentina, with its political convulsions, and Brazil with its tight exchange restrictions, are now using Uruguay, which has immense experience in banking matters, as a safe haven.

The situation is illustrated by the bank's holdings of foreign funds. The most profitable private bank, which showed a return of 50 per cent on capital last year, has 80 per cent of sight deposits in foreign currencies. Even the venerable Banco de la República Oriental has not lost out and has accumulated holdings of dollars and other currencies amounting to more than \$200m.

Two years ago hot money flowed into Uruguay from

Italy, in a period of political uncertainty there. Huge sums were now crossing the South Atlantic from South Africa and Rhodesia. This is one aspect of a new South Atlantic link, which also involves investments in Paraguay and Argentina, and in increase in trade.

Brazil, on the other hand, has decided to develop links with black Africa. South Africa has invested in Uruguayan government treasury bonds, and bought the country's sole cement plant. Immense sums have also been transferred across the River Plate by terrified Argentines, among them the beleaguered Jewish community. But this money could flow out again just as quickly, and is a mixed blessing.

The Uruguayan economy has shown something of a turn-around in the past couple of years. New markets, notably Spain, Egypt and the Arab countries, have been found for beef and mutton. The rise in oil prices has hurt Uruguay badly, because the country relies on thermal energy for most of its electricity, and oil for transport, but it has given the wool trade a boost.

The country has a fairly large foreign debt—roughly \$1,000m—but it is backed by substantial gold reserves.

Until the 1940s, Uruguay's currency was fully backed by gold.

For Paraguay, the future can be summed up in one word: hydroelectricity. When Itaipu, the largest power station ever to be built, is completed, Paraguay will be the world's largest exporter of electricity. Itaipu, which will probably eventually cost \$15,000m, and will produce 12,000 megawatts, is not the only power station to be built on the Parana river. Two more huge plants are to be built jointly with Argentina.

Paraguay will not itself have to raise funds directly, although it will be half-owner of both. Its share of the cost will be lent to it by its two neighbours. The money will be paid back by means of sales of electricity to them, almost all of it surplus to Paraguay's requirements.

This all means a massive boost to the Paraguayan economy and radical consequences for banking. The country has already experienced a sustained growth of 7 per cent in the past few years, led by agricultural produce and derivatives. This is reflected in the banking structure, which consists of the National Development Bank and 12 foreign banks. The National Development Bank, with 38 branches round the country, is by far the largest bank. Until recently, however, it made no profits. Most Paraguayans preferred to bank with the foreign sector, with its dynamic foreign banks and the National Development Bank was given a completely new management last year, and is now making strong efforts to capture more foreign business.

The foreign banks, which in Asunción are led by the Bank of London and South America, are still very profitable, and are looking forward to the new business which will come with Itaipu and the other projects. The National Development Bank has just an increasing proportion of loans to the industrial sector in recent years, rather than almost entirely to agriculture. Paraguay's foreign trade expansion has been led by agricultural business, notably in cotton goods and soyas oils.

Among the banks are three from Brazil, one of them private. This reflects the importance of trade with that country. Argentina, on the other hand, has been out of the bank in Paraguay during the recent turbulent years, and a large proportion of Paraguay's exports are now carried to the ports of Santos and Paranaguá along a road built by the Brazilians.

Venezuela an enviable problem

Venezuela has a problem that many other countries would like to have—how best to spend the enormous sums that it has been receiving for its oil since the price increases of 1973. It has responded with an ambitious plan for spending on industrial and social development, but the course of the plan has not been completely smooth.

Prices have gone up sharply this year, after several years of gradual inflation; according to official figures, they were up by 8 per cent during the first six months of the year, compared with 7 per cent for the whole of last year. There has also been a big increase in imports, and there are fears that Venezuela might have balance of payments difficulties in the future.

It has not proved possible to meet all the targets set in the Government's plan, at least partly because of a shortage of technical staff. This does not apply to the oil sector, where Petróleos de Venezuela, the state company, is well run, but in petrochemicals, for instance, too much has been attempted and there has been a deficit.



Repairs being carried out on a Creole rig at the Maracaibo Lake oilfield, one of the country's biggest revenue earners.

Some of the main sectors are petrochemicals, the steel industry, aluminium, and hydroelectricity. In all of these, large sums are being invested. Money is also being put into agriculture, which employs almost a third of the work force but has been the weakest part of the economy, with the result that Venezuela has to import much of its food.

In July, President Pérez introduced measures designed to counter inflation and to deter speculation, by imposing requirements on the construction industry and reducing the money supply. The aim is also to reduce the level of public expenditure from the 60 per cent that it reached in the 1977 budget.

On the other hand, the cost of servicing the public debt has gone up and is likely to go up further. It is estimated that COPEI, which is Christian Democratic, are now busily preparing for it. Meanwhile, oil remains the mainstay of the economy. At present rates of consumption the fields now being exploited are expected to last for another 20 years; and the Government has cut back production as a conservation measure, though it is not clear how effective this will be if demand from the United States remains high. For the future, there is estimated to have seven times Venezuela's present proved reserves. Petroven is to have responsibility for extracting this, but it will be difficult because of the tar content and there may be foreign participation.

per capita income in Latin America, and is one of the most developed countries. But it also has an uneven distribution of wealth: there are some very rich people in Caracas, where it costs about \$30,000 to join the Country Club, and very poor people in many parts of the country-side.

President Pérez belongs to the Acción Democrática party, which is slightly left of centre. He will not be allowed to stand again in the next presidential election, and the two main parties, Acción Democrática and COPEI, which is Christian Democratic, are now busily preparing for it.

Meanwhile, oil remains the mainstay of the economy. At present rates of consumption the fields now being exploited are expected to last for another 20 years; and the Government has cut back production as a conservation measure, though it is not clear how effective this will be if demand from the United States remains high. For the future, there is estimated to have seven times Venezuela's present proved reserves. Petroven is to have responsibility for extracting this, but it will be difficult because of the tar content and there may be foreign participation.

P. S.

The Falkland Islands: an anomaly

One of the remotest British colonies is the Falkland Islands off the coast of Argentina. It is also one of the two British anomalies on the Latin American scene, the other being Belize. Wool is the mainstay of the economy of the Falklands.

Today the second round of talks between Britain and Argentina begin in New York. Discussions are expected to centre on plans for joint economic cooperation between the two countries, which are in dispute over the sovereignty of the islands. The 32 farms on the island have this year produced a wool clip totalling just under £2.6m in value. More than half of the island's sheep industry is controlled by the Falkland Islands company which has just been taken over by Coalite and Chemical Products. Apart from wool, the islands depend for additional revenue on the sale of stamps and postage, and the forecast for 1977-78 is that these will bring in another £100,000.

The most dramatic development has been recent confirmation that two American companies, Geophysical Inc. and Western Geophysical, are to begin seismic surveys around the islands. It is hoped the surveys will go some way to prove or disprove a number of preliminary reports on hydrocarbon resources in the area.

Also under investigation is the extent of natural marine resources in the Antarctic sector, which are one of the world's largest untapped sources of krill, a small shrimp-like creature. There are no proper banks on the islands but banking facilities have until now been offered by the Falkland Islands Company (FIC). After recommendations in Lord Shackleton's economic report on the islands made in 1976, FIC proposes to establish a building society, which will enable more people to buy their own farms on the island and hopes to introduce a much wider range of banking and financial facilities to encourage small industries.

Argentina provides fuel and air communications to the islands and provides no direct financial activity. However, earlier this year the Caja Nacional did open a branch of its savings bank at a research station in the Antarctic, the first bank in the icebound continent.

M. F.

Bring your investment to the best place: Banco Industrial de Venezuela

International investors can now make transactions anywhere in the world through the Banco Industrial de Venezuela.

Foreign investments are welcome in Venezuela. And the bank that is best organised to handle these operations is the Banco Industrial de Venezuela with its highly qualified experts. Get in touch with our representatives in all the important Banks throughout the world for your contact with Venezuela: a country where your investments are more than safe.

CARACAS Edif. Banco Industrial de Venezuela, Esq. Traposos, Av. Universidad, Tel.: 45.92.22

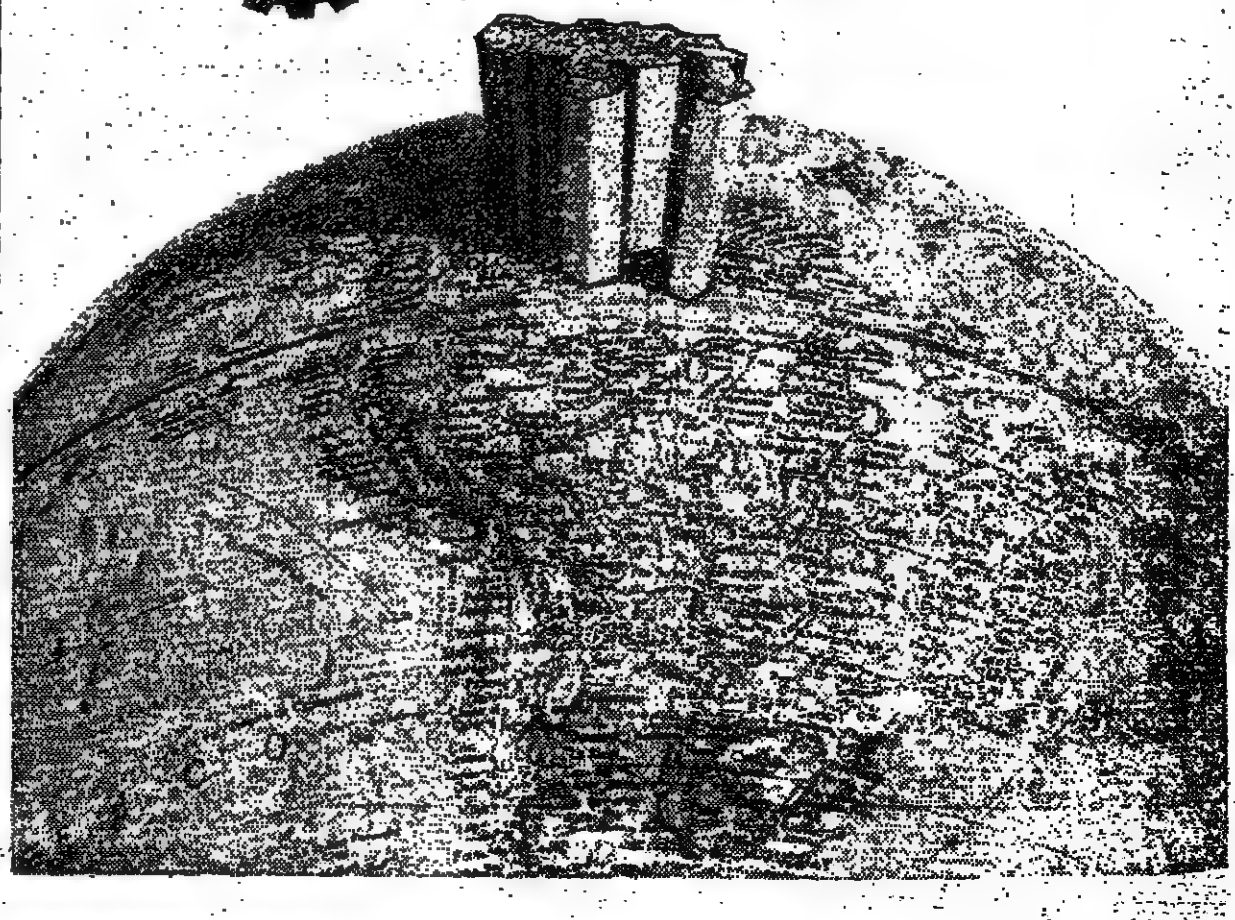
New York 400 Park Avenue, New York, N.Y. 10022. Tel.: (212) 688.2200.

Curacao Edif. Consulado General de Venezuela, calle Heerenstraat, Curacao N.A. (Punda). Tel.: 11.612-11.621-11.625.



BANCO INDUSTRIAL

First Venezuelan International Bank.



Your gate to Brazil.

Think about Brazil. We were born and raised there. Always growing. We know everything about it. And, believe us, Brazil has a lot to offer. Now, if you want to take advantage of it, we can help you. Whatever you need to

import, or export, or invest or know about, let us perform all the necessary services and operations.

Saving you time. And money. And headaches.

Helping you to enter Brazil and grow with it.

BANCO MERCANTIL DE SÃO PAULO
BANCO FINASA DE INVESTIMENTO

Avenida Paulista, 1450 - São Paulo - Brazil

- 252 Branches throughout Brazil
- New York: One Wall Street - 30th floor - N.Y. 10005
- Grand Cayman Island
- London: "The Stock Exchange Building" - 11th floor - Old Broad Street (opening for business this month).

Social Focus

Why so many children stay away from school



To those working with delinquent children, it is increasingly apparent that truancy in some of the larger urban comprehensive schools has reached epidemic proportions. Official figures are alarming, but those in daily contact with the problem are convinced that they understate the problem. This is because official figures include rural schools and those in smaller towns where the rate is negligible, and also because a growing number of school children arrive in the morning, get their "mark" in order to avoid trouble, and then slip out of the school either before or between lessons. A 30 per cent truancy rate has been suggested for some schools.

It is axiomatic that when a child is not where he should be, that is to say

when he should be in school, he is where he should not be and, quite possibly, doing what he should not be doing. The pressures of a consumer-orientated society combined with boredom and a lack of purpose lead only too often to truancy. The overwhelming majority of London children brought to court for criminal offences have poor school attendance.

Plainly, then, we as a society through our education system, are not providing schooling that is relevant to many children. Unfortunately it is those children least able to cope who are suffering the most. Repeatedly one hears in juvenile courts of truancy starting in secondary schools where no problem existed in the primary school. The reason that is often given is that the

school is too large and the change in system too great. One can sense the bewilderment and inability to cope of the timid or inadequate child.

Truancy is often particularly noticeable where the comprehensive school has been created by the amalgamation of two or more schools. The buildings are scattered and the child has to follow his own individual timetable from one place to another without the support of a constant group of classmates. A pupil will see each teacher perhaps only a few times a week and some children find it difficult to form relationships under these circumstances. It appears to the child that no one cares about him, that the teachers scarcely know him and consequently will not miss him from class. The existence of "pastoral" teachers appointed specifically to deal with non-academic issues has not overcome this

problem. Children with problems often will not consult a pastoral teacher whom they scarcely know. A teacher and child come to know each other through having worked together.

The variety of subjects available is also bewilderingly large for some children. In primary schools the child was used to being directed in what to learn. Many of those of a lower IQ or a

lesser academic bent find the freedom of choice offered them in comprehensive schools difficult to handle. Even once they have made their choice they become easily discouraged and give up. A school will tell the juvenile court that special courses have been arranged for a truant but that he did not take advantage of the tailor-made timetable; a new set of subjects

is offered, but often with no greater success.

Another way in which these large schools are letting children down is in the matter of discipline. Adolescence is a time of testing in many directions and this includes testing-out the tolerance of society to anti-social behaviour. The young people themselves have joined this debate—according to a recent poll carried out by Capital Radio, two-thirds of school children and young people in London would like more discipline in schools. Perhaps we are placing unreasonable requirements of self-discipline on the young. Many of them feel that a lack of discipline is analogous to a lack of support.

The radio poll also showed that the children were unenthusiastic about the idea of pupils having more say in the running of their schools, which appears to bear out

this desire for direction. Adolescence is a difficult period and we make it even more confusing when we fail to provide adequate guidelines.

The sad irony of the comprehensive system is that in many cases it is serving worst those in the greatest need. Immigrant children rank high among those who are victims of a system which is too sophisticated for them. They waver with their feet by wandering the streets instead of going to school. At 16 they find themselves on the labour market without many of the basic essential skills, unable to measure up to the requirements of society or the expectations of their own parents.

Many excellent residential truancy units are being set up throughout the country, but these are very expensive and can handle only a few extreme cases. Their often "remarkable" success rate attests to the fact that they are providing something that the children need and will

accept. What they provide is small groups and a caring and disciplined environment. It should be possible for this to be provided at a far lower cost within the schools themselves for other truants. Those who require the sense of identity and more structured framework that smaller classes can give should be catered for, just as are those children requiring specialist courses.

The problems and mistakes must be faced. My analyses of the causes and possible remedies may not be universally accepted. However, the problem exists, is growing and must be dealt with if we are not to condemn yet more young to unacceptably low possibilities in life which often lead to crime. This part of the "Great Education Debate" is not theoretical out of extreme practical urgency.

Louisa Service
The author is Chairman of Hackney Juvenile Court.
© Times Newspapers Ltd. 1977

Teaching women about their own bodies

Considering the amount of literature available on the subject of human health and sexuality, it is amazing how ignorant most of us outside the medical profession remain about our own bodies. A brief glance through any women's magazine confirms that large areas of confusion still exist on the topic.

How many women taking the contraceptive pill understand how it works to prevent conception? How many understand the hormonal changes taking place in the body during puberty, pregnancy and the menopause? How many actually prefer not to know, considering that only hypocrits show an active interest in their own health?

For several years self-help health groups have been growing rapidly within the women's movement, especially in America, and to a lesser extent in this country. The emphasis is on body awareness and preventive medicine. Pooling their knowledge, ideas and experience, women in the movement have learnt the technique of vaginal examination and the use of simple remedies such as yogurt for infections like thrush. Massage and relaxation are learnt as an antidote to stress and "alternative" medicine—herbalism, homeopathy—is studied.

Yet outside the women's movement, women in general have had few opportunities to share or discuss this kind of knowledge. An exception has been short experimental courses in women's health held recently in Brighton as part of an adult education programme, sponsored jointly by the University of Sussex Centre for Continuing Education and the Friends Centre. The sponsoring bodies considered that if such a course encouraged women to take a serious interest in their health, it was a sociological rather than a quasi-medical framework that deserved their support.

Alan Luckett, Principal of the Friends Centre, saw women's health as a legitimate continuation in the series of women's studies (history, politics, literature), which have been held at the centre since 1973. He believes that adult education can only benefit from ideas such as women's self-help health courses which originate within the women's movement or the black movement in America.

Cindy Harriet, who helped Heather to guide the group during discussions, was shocked to discover the stolid attitude many of the women adopted about their own health. "The husband's and children's health came first. If you were ill yourself, it was unfortunate but you just had to cope. Personal well-being was treated in a much more casual manner than that of the family."

Subjects the course managed to cover, however briefly, included nutrition, contraception, abortion, childbirth, massage, mental health, venereal disease, vaginal infections and herbalism. Sexuality and related topics such as vaginal self-examination, might have been included but Heather, a member of the Brighton women's movement, chose not to pursue them.

"It was one of the drawbacks of having such a short course. People need a lot of time to gain confidence in each other before tackling such sensitive issues. You have to accept that many women have a mental block when it comes to discussing vaginal knowledge. It was a breakthrough when some women actually admitted feeling embarrassed—it meant that they were now facing up to the subject rather than ignoring it."

Feelings of confusion rather than prudery overcame Mrs Sharon Norman, a doctor's daughter-in-law, when looking at the photographs which illustrated an article on self-examination.

"They were pretty explicit and my immediate reaction was to close the pages. I felt I shouldn't even be looking—it was that part of you that was never given a name when you're a child. Yet I felt it was ridiculous to react in this way over just another part of the body. Perhaps it was because I was brought up in a family where it was considered rude even to show your knickers!"

Even Mrs Anna Patterson, a former teacher, who had worked as a nursing auxiliary, and as such seen many naked bodies, felt extremely uncomfortable when asked to think about her own. "I was supposed to concentrate on myself, what I liked and disliked about my body. I was surprised to find how uneasy I felt. I didn't really want to think about it at all. Certainly it was something I couldn't have discussed openly in front of anyone else."

Not so Mrs Maxine Rawlings, who said she felt that nothing discussed on the course about the female anatomy had worried her. "I've recently had a baby and after that experience I don't feel embarrassed about anything."

For Angelica Alvarez, a 17-year-old student from Caracas, the course presented a unique opportunity not available in her own country. "Venezuela is still very much a man's country and I doubt if a course like this would have been allowed. Knowledge about my body, how to improve my health, would have been impossible to obtain at home."

Although the course at the Friends Centre has just finished, several of the women have become so involved that they intend to start a self-help health group with Heather and Cindy, at the local Resources Centre. The centre also happens to be the present home of the Brighton women's movement and most of the women from the course are by no means committed feminists.

"Had the course started off from there I would have been very apprehensive. I doubt if I'd have gone," said Mrs Norman. "But I've found the course so fascinating and there's still so much to learn, I'm now helping to plan the programme for January. I wish that more courses like this could be available for women throughout the country—I'm certain they would prove a great success."

The course attracted 16 women of all ages and backgrounds, from a 17-year-old Venezuelan student to a 65-year-old grandmother. A young doctor, attending from personal interest, kept her medical qualifications a secret. The majority of those on the course felt that the presence of doctors, perhaps as lecturers, at every meeting, would have inhibited discussion and comment. As the Friends Centre is well known in the area for its varied adult education programme, and has no overt medical or women's lib connexions, it proved an ideal meeting place—purely neutral territory.

Few of the women knew what to expect from the course's title and most approached with a cautious interest. "I made it clear from the first meeting that I hadn't come to be miserable, swap anecdotes about doctors or as my complaints—I believe in positive, preventative medicine," said 35-year-old Mrs Peggy Wollode. These feelings were shared by the other women and the course tutor, Heather de Vries, a community worker with a degree in psychology and sociology.

"We're not here to slam doctors or encourage negative attitudes. We want to show women how to improve on the facilities already available and, by giving them a greater understanding of their bodies and health, play a positive role in reducing ailments. Possibly this can take some of the burden, however slightly, off the medical profession."

Vanora Leigh

It's got to be Gordon's

Why Britain must not fall for this French white elephant

When the eyes went down on the green baize for the start of yesterday's talks between the Prime Minister and President Giscard d'Estaing, it is a safe bet that high on the agenda was the present condition of the aerospace industries in both countries, coupled with the prospects for future collaboration.

Both industries are largely sustained by military orders and both industries on the civil aircraft side are facing a bleak future in the wake of the cancellation of the Concorde programme. New projects must be sought and everyone agrees that these projects must be collaborative efforts involving two or more countries. That where the agreeing tends to stop.

Would-be consortia form and reform in a bewildering variety of quadrilles but little is happening in a positive sense. Unfortunately there is not on the side of the Europeans in general and as far as the British are concerned there is anxiety that the leaders of the new state-owned British Aerospace have already taken a major decision which will effectively foreclose one of the options that the Prime Minister would otherwise want to keep open.

There are three potential segments for future civil aircraft projects and these are the small, medium and large sectors, small being under 100 seats, medium about 150 seats and large over 200.

There are various possibilities for the small and large sectors but the sector with the most immediate potential is the middle one, and this is indeed, the sector which is exciting the keenest interest.

It would be as well to establish that a world market actually does exist and there is general agreement on both sides of the Atlantic that there is a potential market for a jet for about 1,200 aircraft in the 140-seat class by 1990.

The British entry into this market is called the X-11 and it is a deliberate derivative of the existing and successful X-1. British Aerospace has spent nearly £2m in bringing this concept up to date and is lobbying hard round the world in an attempt to secure letters of intent to purchase. Much in the X-11 concept by airlines, particularly those operating a regional interlink type of service.

Once a market has been identified it is axiomatic that whoever gets in first does well. McDonnell Douglas has announced the launch in October of the DC-9-80, an aircraft adapted for this market segment, and all the indications are that where McDonnell Douglas tread Boeing cannot be far behind. There will, therefore, be three entrants in the market if the X-11 proceeds and four should the French decide to enter an aircraft of their own.

The French contender is known as the A200 and this would be an entirely new aeroplane complete with leasing curve problems whereas the X-11, relying on an albeit advanced but none the less proven design characteristics.

A entirely new aeroplane would cost over £100m more to launch than a derivative aeroplane and the group of six aircraft companies were so far as craft companies were so far as to say some months ago that



Lord Beswick: an agreement.

they could see no way in which a totally new aeroplane made any economic sense.

Moreover, this extra cost increases the unit price of the new aeroplane which in turn increases the number of copies that have to be sold before break even point is reached. The X-11 is ready for launch in 1981, but the A200 would take several months by which time both American entrants would be declared and this would be shrinking the size of the market that is still available.

Most decision makers would welcome a choice as clear cut as this, but Lord Beswick, the British Aerospace chairman, has gratified the French by agreeing to participate in a joint engineering team to study the French project. The latest indications are that not satisfied with this piece of British fair play the keeper of the aerospace fortunes has now agreed to "let the X-11 on one side" while the A200 is studied in detail.

If it should appear after these detailed studies that the A200 does not offer the regular commercial potential, then the intention presumably is to "fall back" on the X-11 which will then, it is fondly believed, be received with enthusiasm by a chorus of adoring airlines who knew it was the best all along.

The main reason for this suicidal course of action is apparently that the French have said they will not come in on the X-11, but as a certain lady once said "they would wouldn't they".

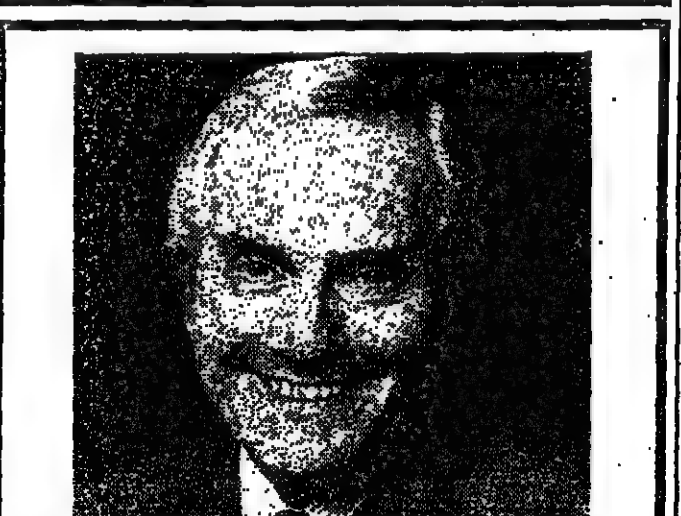
By taking this action they knew British Aerospace would feebly drop its own project and go in with theirs. One wonders how scrupulous have been the efforts to find other collaborative partners in Italy or Spain or with Rockwell in the United States.

The French are offering "design leadership" or their project to the British and this is straining credibility somewhat, but the main problem is that one project offers a good prospect of making a return on investment and the other will cause the taxpayer a thumping great loss and bring the aerospace industry to a lingering and painful death.

Lord Beswick may well be prepared to ask the last British Aerospace employee to turn out the lights as he leaves but the Prime Minister is too smart an operator to be taken in by legends.

Geoffrey Pattie

The author is Tory MP for Chertsey and Walton and a member of the Conservative aviation committee.



"It is awful—and I don't like it, Do you?"

says Dick Emery

... old folk totally left out at Christmas, and facing next year all alone, all day every day. And not enough of us do anything about it.

Do something in time for this Christmas, with me—give Help the Aged a helping hand with the money they need to get more Day Centres in towns all over Britain. So that lonely old men and women have somewhere cheerful to go and where they can make friends. Or help the volunteers bring food to hungry old people in countries where the scraps off our Christmas plates would seem like a feast.

Send the best Christmas Gift of All—Hope to someone who needs it.

How You Can Help
Equipment for a Day Centre: £10 does a lot towards equipment for another friendly centre for the lonely.

15 Good Meals for old people near starvation in Asia: £3.

£150 perpetuates a loved name on a British Day Centre and helps it start. Or a hospital bed overseas £100.

Someone lonely or hungry waits for your Christmas goodwill gift.

Please use the FREEPOST facility and address your gift to: Hon Treasurer, The Rt Hon Lord Maybray-King, Help the Aged, Room T1, FREEPOST 30, LONDON W1E 7JZ.

* Please let us know if you would like your gift used for a particular purpose.

Perpetual serfdom: this is the full horror of life in the Chinese compound

Bernard Levin

Some months ago I read a long account, by Professor Edward Lutyw, published in the American magazine *Commentary*, of a visit he had paid to China. Partly by a series of fortunate accidents, and partly through his own persistence, scepticism and scholarly integrity, he had managed repeatedly to get behind the smooth wall of propaganda presented to visitors to China and see a good deal of the reality behind it. Professor Lutyw was primarily concerned to describe what he saw and heard, and I thought his article so important and so valuable that I devoted three successive columns to summarizing and quoting what he wrote.

I have now obtained another series of articles on China, this time not by a university teacher but by a newspaper journalist, Mr Ross Munro of the *Toronto Globe and Mail*. Mr Munro's articles seem to me to bear out in a striking manner Professor Lutyw's conclusions; they are particularly convincing because Mr Munro has been a correspondent in China for some two and a half years, and was thus there during the upheavals which preceded and followed the death of Mao Tse-tung, and also because he clearly developed, over the period of his assignment, a considerable admiration and indeed affection for the Chinese people, so that it is quite clear that he was not unconsciously, let alone deliberately, fitting his observations into any pre-fabricated ideological pattern. Moreover, just as Professor Lutyw's account displayed the best kind of rigorous academic mind, so Mr Munro's is evidently that of the best kind of shrewdly observant reporter.

But the most significant aspect of his series is the fact that it has provoked the Chinese authorities into revoking Mr Munro's visa; he has been told that it will not be renewed after it expires at the end of the year, and that he must then leave China. This suggests that Mr Munro's picture is uncomfortably accurate, and I therefore propose to do the

same with his series, this week, as I did with Professor Lutyw's article. (For those who read his long article in last Sunday's *Observer*, I should say that none of the material I am using appeared there.) Before I begin, however, a word of caution is perhaps appropriate. The conditions depicted in Mr Munro's reports are now subject to what, it is already clear, is an upheaval in China that goes far beyond the firm establishment of control by her new rulers, and the elimination of any possible opponents or rivals. It is too early to make confident predictions about the course of the new regime, except of course that it has no intention of allowing anything in the way of a genuine opening of the way's most closed totalitarian society. But already there have been signs that the harshest repression is being eased; the nearest comparison is with the Vorster Government's relaxation of "petty apartheid" in South Africa.

Such easements will obviously be welcome to the Chinese people, so, and perhaps more so, will be a similar relaxation (also clearly in evidence) in the ideological fanaticism of Mao and his "Gang of Four", though the ludicrous accusations against the latter revive memories of the insane charges of Stalin's Terror. China's new rulers have clearly set themselves the goal of ensuring economic advancement, one of their most urgent tasks in making up the appalling gap caused by the virtually complete destruction of Chinese education during the "cultural revolution".

The motives of their rulers are unlikely to trouble the Chinese people; but if their own lives are made less bitter, the control exerted over them less complete, the tyranny of communism less cruel, they will no doubt count that as gain, and rightly. In that sense, and in that sense alone, it may be that Mr Munro's articles describe a state condition; China, it is clear, is beginning to move again.

and although there is no guarantee that she will continue to move away from the excesses described by Mr Munro, and although, indeed, she has not moved more than a step away from them so far, and although, finally, no fiction that might conceivably come to power in China would in any circumstances contemplate any form of political pluralism or the institution of elementary human rights taken far granted in democratic countries, the movement itself is to be welcomed. Mr Munro's accurate picture is of a country which had stood still for years. In a few years' time, if he were writing a similar series, he would no doubt have some interesting things to say about the movement now beginning. Perhaps if it gathers pace, China's rulers may one day even overcome their fear of the truth so far as to let Mr Munro back in again.

That said, let us start with an item which perhaps sums up China better than any parade of statistics or analysis of policy.

A Communist Party functionary was recently telling a foreigner how Chinese society ideally should be organized. Everyone, he said, should live in the compound where the workers, if for some reason the workplace and the home must be in different locations, he said, then people should still live in the same place as their workmates. The worker who commutes between home and job poses a problem, the party member said. He can be two different men. At the factory, his political attitudes and work habits are known, but the party would not know how he acts around home. The party member said it would be a healthier political situation for the man to be among his fellow-workers 24 hours a day.

This is not just a matter of control, which is, after all, more complete in the case of China (literally the most totalitarian nation on earth) than even the most brutal of the regimes

in the Soviet Empire. The full horror of such conditions lies in the pervasiveness of the State's supervision of the lives of the citizens. As Mr Munro reminds his readers, "China has imposed controls over areas of life that are matters of free individual choice even in many police states: the freedom to choose—or quit—one's job; the freedom to start even the smallest business; the freedom to choose where one wants to live; the freedom to travel". But that is only the negative side of it, the forbidding by the State of that which the rulers fear. What gives China its particular quality is the other side of this coin.

Many of the urban Chinese already live in all-inclusive units that are concerned with every aspect of the welfare and behaviour of the compound's residents. In a clothing factory compound in Hopei Province, a notice posted on a workshop wall declares that people going in and out of the compound must get off their bicycles at the gate and surrender all bags and packages to security workers for inspection. Except in special circumstances, the notice continues, people must be back inside the compound by 11 p.m.

And Mr Munro provides another illustration of the way the theory works in practice.

Officials in the No 1 Cotton Factory in Shihchiachang, south of Peking, were recently trying to explain to a foreign visitor how workers there buy bicycles. Each year, they said, the state allows about 250 bicycles to be distributed among the 4,000 workers and their families.

"The workers live in the workshops as they are living together and they know everything about everybody," the foreigner was assured. "They know which families need a bicycle."

How admirable, our own deuteromaoists will cry, the living embodiment of the main principle of the

true faith—to each according to his need. Just so did their forebears in the Thirties point to the Soviet Constitution and quote the passages guaranteeing free speech—and just so does the reality contrast.

One person with direct knowledge of how units and residential committees operate describes the security system as inextricably woven together with the web of personal relationships, both friendly and unfriendly.

"According to Mao's philosophy," he says, "you report on your friend or neighbour when he's done something wrong because it's good for him to be criticized and reformed. But usually in practice you do it because you don't like him and you want to get at him".

Party officials evidently believe the desire for privacy must be combated because they constantly urge local party functionaries to devote more time to home visits to families in the area. In one neighbourhood in Peking last summer, it was an example of mild political monitoring, party functionaries put up a huge chart listing each household and what its members had done to help clean up after the earthquake. The chart wasn't a much an honour roll of those who had done a great deal as it was a report card for adults with blank spaces for those judged not to have done enough.

I shall continue with this tomorrow: today, I will leave you with a simple picture of life in the Chinese unit as Mr Munro observed it. Simple, because it follows naturally from the implications of what has gone before. But also terrible, because of the perpetual serfdom it implies.

People are normally assigned to a work unit for life. Transfers are extremely difficult to obtain but are sometimes possible on the condition that the departing worker finds someone with comparable skills and experience who's willing to switch jobs with him.

(To be continued)

Times Newspapers Ltd, 1977

A gleam of hope at last for Falkland islanders

New developments in the Falkland Islands, Britain's tiny disputed colony in the South Atlantic, suggest that the British and Argentine governments have reached some agreement as far as economic cooperation is concerned.

Today ministerial representatives from the two governments are meeting in New York where they are expected to concentrate on discussing further aspects of economic co-operation rather than the main issue of sovereignty, although the two are inextricably involved.

Since the first round of talks in Rome last July, which followed Mr Ted Rowlands's visit to the islands in February, British and Argentine government representatives and officials have been extremely busy behind the scenes. Mr Rowlands appears to have been convinced by the very active Falkland Islands lobbyists in London, not to mention hearing the views of the islanders at first hand, that there is no question of a "sell out" today's talks, or any other time, if it is against the wishes of the 1,950 inhabitants who are nearly all British or of British descent.

Following certain changes within the Foreign and Commonwealth Office and the arrival of a new governor in the islands there seems to be increasing confidence by the islanders and their London supporters in the way that this over-sensitive issue is now being handled.

The more astute islanders realize that in the long term their future depends on far stronger commercial and economic ties with neighbouring Argentina. It is in everybody's interest that this



The rolling "British" countryside in Port Howard, Falkland Islands—but for how long?

should be so. However, the Falkland Islands Company, which was recently taken over by Coalite and Chemical Products, may find this a bitter pill to swallow as it controls a major part of the islands' economy which is based on sheep farming.

For a number of years links between the islands and Argentina have been steadily increasing. The Argentine Air Force's transport wing, LADE, provides a regular, but sometimes haphazard, weekly service to and from Port Stanley, capital of the Falklands,

and Comodoro Rivadavia. There has been some criticism lately about seat availability and the cost of fares. Last month a new permanent airfield built by Britain at a total cost of what may be around £6m was officially opened about a year or so behind schedule.

This runway, which is too short and unsuitable for LADE's fully laden F-28 jets, is one of the most controversial issues in the islands. At present it appears to be an expensive white elephant due largely to the somnolent bureaucracy

The airfield is basically unsuitable for a number of technical reasons and consistent pressure on Whitehall to lengthen it to international standards has so far failed. In any event, the impact of inflation is likely to have so far outweighed the cost so much that there could be little justification on economic grounds for improving the so-far-unused field.

However, it is possible in the curious saga of the Falklands for Ambassador Paul Medina Munoz, director of the Argentine Malvinas (Falklands) and Antarctic Department, to suggest to his British counterparts that perhaps his country would be prepared to pay for an extension to the airfield. Not so today.

Already, the Argentine Government has spent a considerable sum on establishing a fuel depot outside Port Stanley, the capital. Furthermore LADE has just been awarded a £282,000 contract by the ODA/RODM to build a new oil jetty to provide a supply point for the fuel. The jetty, which stood unused for nearly two years, was the amount offered by the Johnston Construction Company, of Redhill, who have just completed the airfield.

Perhaps the best indication of a change of climate between Britain and Argentina is the recent confirmation that an American company, Geophysical Services, is to carry out seismic surveys in offshore waters around the islands up to the 100-fathom mark. This is one of the recommendations by Lord Shackleton in his

economic report on the islands published in 1976. There have been a number of reports on hydrocarbon prospects in the region. One of the most notable is by Professor P. R. Griffiths, of Birmingham University, which implies that the sea is rich in oil and gas. It is some offshore areas where hydrocarbons could be expected to be found.

According to the Shackleton report "... it is probable that the large hydrocarbon accumulations in the Malvinas Basin, if they exist, would occur where the sedimentary thicknesses are greatest. It would appear from the Griffiths study that this occurs in the 30-200-metre water depths."

It is hoped that Geophysical Services, which will operate two vessels, will be able to establish more positive indication of the likelihood of oil or gas being found in the area. The company has paid \$500 to the Falkland Islands Government for a permission to carry out the work and data will be provided to both British and Argentine companies.

This decision is an important indicator on the current relationship between London and Buenos Aires. But in spite of it, Ambassador Munoz, who has just returned from a tour of the islands, said at the beginning of the month that "though tomorrow's talk will be particularly difficult". After they are over Mr Rowlands is flying to Rio de Janeiro, in Brazil, to meet representatives of the islands' government so that he can discuss with them any decisions made in New York.

Michael Frenchman

THE TIMES DIARY/ PHS

Circular (mystery) tour of a dukedom

The Queen announced cryptically in the Court Circular the other day, that she had agreed that Frederick William Cavendish-Bentinck and Veneria Barbara Cavendish-Bentinck should enjoy the same title and precedence as the son and daughter of a duke, which would have been due to them had their father, William George Frederick Cavendish-Bentinck, survived his kinsman, William Arthur Henry, Duke of Portland, and succeeded to the title of Duke of Portland.

That is a mouthful of Cavendishes, not to say Bentincks, to squeeze into one sentence, even

for so practised a performer as the Court Circular.

What is the mystery? Some scandal about false succession and going on the wrong side of the blanket?

Nothing so dramatic. The new Duke of Portland succeeded from a collateral branch in March, and this opportunity is being taken to give his younger brother (who is 80) and sister (who is 75) the courtesy titles they would have had if the succession had been in direct line. The new Duke joins the distinguished list of Dudders.

Members of the House of Lords born before 1890—in seventeenth place. He is 89.

The list is led by the Earl of Albemarle (95), Lord Heniker (94), and Lord Rathcavan (94). Portland is a comparative squib. On last January 1 there were no fewer than 70 old peers over the age of 80.

Where have the performers gone?

Now tell me, friends (yes, it is like "Opportunity Knocks") what has become of the stand-up comic, the singer who could belt out a song without benefit of a microphone, the great acts who toured the music halls? Nearly all gone, of course, or swallowed up by clubs and television.

Hughie Green, the talent-spotter and quiz king, wants to arrest this alarming decline and has been seeking Roy Shaw's support. Mr Shaw, a staunch advocate of arts for the people as secretary-general of the Arts

Council, thinks he has a case and believes there is a need for what he calls "re-afforestation".

The upshot of a Shaw-Green luncheon chat is that Mr Shaw has agreed to discuss the problem with the BBC and the Independent Broadcasting Authority with the idea of finding out whether some joint action could be taken to train the performers of the future.

Michael Grade, of London Weekend Television, has spoken of the "bias against entertainment" on the box. Well, here is a chance to bring back some sparkle, perhaps. It all fits in rather well with the 25th anniversary next month of television's "The Good Old Days".



Discreet elitism

The bastions of privilege, as you know, become daily more impregnable. Royal Ascot (presumably to keep out Dame Edna Everage and Nigel Dempster) has taken the precaution of instructing this newspaper to print the news that "applications for admission to the Enclosure" should be made after January 1. Royal Ascot will be held from June 20 to 25. New applicants (Dame Edna, please note) will be sent a

Spot the fat cherubim

"Tell them not to point at the pictures with their pens," said an exasperated warder. "You can't trust those children at all." The warder (of the National Gallery rather than Wormwood Scrubs) was getting worried at the first batch of eight to 14 year olds, who, lying on their stomachs in front of assorted Old Masters and with their clipboards and pencils, were trying to fill in one of the two quiz sheets drawn up this Christmas by the Gallery's education staff.

The quiz sheets are on angels and food, and provide the incentive for children to go round looking at the paintings and asking themselves questions on them. They are also meant to be fun to do, though whether scribbled-minded tourists will find it so is another matter.

Certainly some of the answers coming in yesterday proved interesting angles (or food for thought). In the picture of the Annunciation (the version painted by the Master of Liebenau), the angels came in through the door or the window but according to one child—"in a flash of light".

And in the Adoration of the Kings (Gossart), the kings were kings because they had crowns on. Of course. The National Gallery also unveiled yesterday its new audio

Night put for a knees-up

Holding, as we do, such strong views about entertainment in public houses it must be liquid and of at least 70° proof. I went on Friday night with mixed feeling to the Pub Entertainer of the Year finals in glorious pre-drunk-sneak-chips and pils d'owntown Primley.

In truth, I was sympathetic to the cause (it was in aid of the Variety Artists Ladies' and Children's Guild, though no amount of excellent wine could make me feel warmly about some of the finalists—and I dread to think what standard was attained by those who did not make the final).

Sponsored by the Chef and Brewer group in conjunction with TV Times, the annual event is intended to create greater awareness of the standards of pub entertainment in this country. Perhaps standards slipped this year, though I was glad to see that it was complete.

Frank Carson (dubbed of these television-comedy programmes) was as usable as I can remember. He was one of the greats, the Phrasier Brothers (well, Overbury, naturally, he did intend to say who won the contest. You will have to wait until December 20 when the recording is screened by Thames).

Those of you who have enjoyed my guest (not to say surprise) appearances at the dinners of a well known Society at Oriel College over the years will understand my interest in the latest copy of the *Oriel Record*, in the "Provost's Notes". Readers, the *Record* suggests, will be sad to learn that Dr. Davies (Tutor in Classics) is to leave the College. He has been a fellow since 1968, the volume states. Some of my friends at Oriel have been chaps even longer, over 100 put it all in print is not very flattering.

FRIENDS

My friend, the writer, has been very busy lately. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire.

My friend, the writer, has been very busy lately. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire.

A GREAT

My friend, the writer, has been very busy lately. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire.

Unwritten laws

My friend, the writer, has been very busy lately. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire. He has been writing a book about the history of the British Empire.



From - Vice-Admiral Sir David Clutterbuck

Sir, If Frank Cooper's search is not confined to serving Admirals I will gladly run up to the sixth floor with him. The MOD might like to offer a prize, a box of cigars perhaps.

I am, Sir, yours faithfully,
DAVID CLUTTERBUCK,
Vice-Admiral,
The Business Graduates Association,
87 Jermyn Street, SW1.
December 9.

Science report Batteries: Modelling the future

A pair of satellites recently launched from Cape Canaveral should considerably increase our knowledge of the magnetic field surrounding the earth. One of the satellites, built by the European Space Agency, contains a small battery which represents a technical advance of a strictly down-to-earth variety. For the first time in Europe the stringent specifications on the operation of a spacecraft battery have been met by direct calculation rather than by a tedious process of trial and error. The ability to do such calculations is a crucial factor in the development of battery vehicles.

Reliable batteries with long life-times are required which avoid these difficulties, and that means careful attention to the heat-transfer properties of the battery design. Previously a trial and error approach has been used, a procedure that is time-consuming and inefficient. Now the heat transfer properties can be calculated using a simple model of the cell and its environment, thermodynamics and a well established technique called network analysis. The procedure is described by Dr P. Montanari, of the European Space Agency's laboratory, ESTEC, in The Netherlands, and Dr P. Strangberg, of Elektrotechnische, in Denmark. They have set up a computer model for a small nickel-cadmium battery used in spacecraft and calculated the performance of that battery using minor modifications of existing standard computer programs. Measurements on a real battery verified the results of their calculations. The technique seems therefore to work and will obviously be of great practical significance in the design of future batteries for spacecraft and for electric vehicles. The behaviour of the battery in orbit at present has been predicted by this technique: a multimillion pound satellite mission is relying on it. By Nature-Times News Service, 1977.

Sources: *Journal of Power Sources*, December (vol 2, p 147, 1977).
©Nature-Times News Service, 1977.

Small Welsh choirs change the tune

By Tim Jones

In spite of a plethora of less demanding amusements the great choirs of Wales survive. Chapel and pits, once the pivotal centre of mass music, may close but the choirs remain a phenomenon of the industrial south. Critics who forecast that the choirs would decline in proportion to the availability of television in the valleys and industrial centres have been forced to reassess their opinions. But while the great male voice choirs of up to 140 members retain their prestige, there is a growing feeling that they are too steady and too safe. Increasingly in the country there is a greater emphasis on the smaller mixed choirs who forsake the Rhondda for Bach, Beethoven and Brahms. Next month Cardiff Polyphonic Choir and the Philharmonia Orchestra will combine with the Via Nova Choir, Munich, and guest artists to stage one of the most ambitious concert events in the history of Wales. Haydn's *The Creation*. It will be the first of six concerts produced by RTV Wales in the 1978 Cardiff Festival of Choirs. The *Creation* will be staged at St David's Cathedral in spite of fears by the organisers that its acoustics and seating capacity do not match its architectural splendour. The difficulties involved in the production brought renewed pleas yesterday from Mr Aled Vaughan, director of programmes for Wales, for the building of a purpose-built concert hall in the capital city.

Surrender document makes £3,100

By Geraldine Norman
Sale Room Correspondent

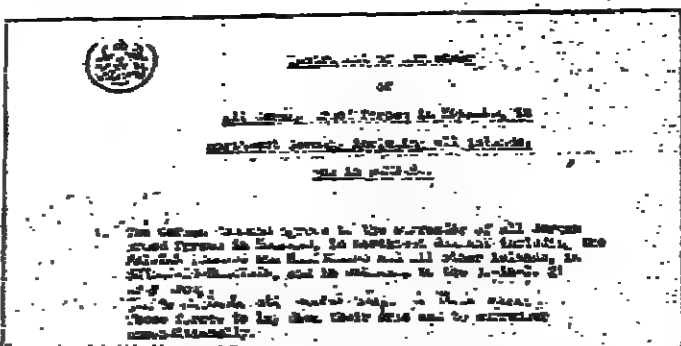
A copy of the final draft of the instrument of surrender of the German Armed Forces to Field Marshal Montgomery, drawn up on May 4, 1945, was sold at Sotheby's yesterday for £3,100 (estimate £200 to £1,000). The buyer was Mr Donald Wilson, a British private collector.

The draft is typewritten on paper headed with the royal arms and bears pencil emendations in Montgomery's hand. The final document, signed in Montgomery's car at Lüneburg Heath, now in the Imperial War Museum, bears the same manuscript emendations. No other drafts of the document are known.

It was sold with a group of other souvenirs of the surrender, including a pencil plan of the signing, a pencil plan of the signing, identified as having been written by Admiral von Friedenburg, Doenitz's emissary, on the day before his suicide. The sale was devoted to manuscript material and documents totalling £56,595, with 6 per cent unsold. The top price of £5,400 (estimate £2,000 to £3,000) was for a vast archive of papers dating from the fifteenth to seventeenth century relating to the Ferrers family, of Tamworth Castle.

The London Museum acquired a group of papers of the eighteenth and nineteenth centuries relating to Newgate Jail, including letters written by condemned prisoners. The price was £350 (estimate £300 to £400).

The States of Guernsey acquired three lots of papers relating to the history of the Channel Islands for a total of £550, and the public archives of Canada made similar purchases totalling £340. The Institute of Chartered Accountants spent £334 (estimate £180 to £250) on the account



Part of the draft of the instrument of surrender.

book kept by a West Country draper between 1654 and 1667.

Christie's sale of Chinese ceramics and works of art yesterday contained a rare group of six famille verte plates, traditionally held to have been made for the sixtieth birthday of the Emperor K'ang Hsi in 1713. They are of outstanding quality, each differently decorated with simple but arresting bird and figure designs usually associated with famille rose "Chinese taste" pieces.

The prices emphasized the importance of condition. The top price was £10,500 (estimate £5,000 to £10,000) for a plate in perfect condition decorated with a cloud and an insect emerging from a chrysalis on a flowering and fruiting cherry branch. The lowest was £2,400 (estimate £5,000 to £5,000) for a bird-decorated plate, chipped with a 1½-inch crack.

The sale made £221,724, with 20 per cent unsold. The star lot failed to find a buyer, it was a sixteenth-century gilt-bronze figure of a *Awolokitesvara*, bought in at £16,000 (estimate £15,000 to £20,000). The top price of £15,000 (estimate £17,000 to £22,000) was paid by Eskenazi for a large famille rose saucer dish finely painted with blossoming branches in Chinese taste.

Sotheby's also sold oriental ceramics including a collection of Chinese, Korean and Thai items belonging to Warren E. Cox Associates. The sale totalled £34,873, with 11 per cent unsold. A second sale devoted to Nepalese, Tibetan, Indian and South-east Asian art made £74,726, with 37 per cent unsold.

Bronze and gilt-bronze devotional figures proved difficult to sell, but a Nepalese gilt-copper figure of Gautama Buddha dating from about 1400 was sold at £8,500 (estimate £5,000 to £10,000).

A sale of carpets and items of Islamic interest held by Sotheby Parkes Bernet in New York on Saturday made \$68,560, with 26 lots unsold.

The sale of the contents of 22 Kensington Palace Gardens, held by Christie's yesterday on behalf of the family of the Duchess of Marchesa, realized £109,460, with 3 per cent unsold.

Law Report December 12 1977

Court of Appeal

Emigration to Rhodesia: ban breached after public advertisement

Attorney General's Reference (No 2 of 1977)

Before Lord Widgery, Lord Cunniff, Lord Justice Park

The prohibition against soliciting or encouraging "members of the public generally" to emigrate to Southern Rhodesia is breached by a person who issues advertisements in newspapers for persons wanted for overseas and who, in interviewing a selected applicant, enables him to enter into contracts to serve in Southern Rhodesia. It was held that the advertiser charged on a count relating to the individual applicant.

The Court of Appeal, giving an opinion in reference by the Attorney General under section 36 of the Criminal Justice Act, 1972, answered yes to the question "whether article 14(1)(b) of the Southern Rhodesia (United Nations Sanctions) (No 2) Order, 1965 [SI 1965 No 1020] is contravened where the defendant, who does any act calculated to solicit or encourage a person to take up employment or residence in Southern Rhodesia, where such solicitation or encouragement is directed to such person as a member of the public generally, . . . no person shall—(a) publish any advertisement . . . soliciting or encouraging persons to take up employment or residence in Southern Rhodesia; or (b) do any other act calculated to solicit or encourage members of the public to take up such employment or residence."

Mr David Tudor Price for the Attorney General; Mr J. Lloyd-Ellor, QC, and Mr Brian Warner for an unnamed man, who was acquitted at trial.

The LORD CHIEF JUSTICE said that article 14, which had been described as a Draconian provision, was designed to prevent the assistance or encouragement of emigration to Southern Rhodesia.

The man placed in various newspapers advertisements reading "Wanted men/women £150 pw. Five overseas and a home address to which to write for further details. Many people wrote, and arrangements were then made for appointments at an hotel. After the meetings the man sent application forms or made other arrangements for a contract under which the named applicant would go to Southern Rhodesia.

The indictment contained 10 counts, each naming one of the persons interviewed. The form of each count was to name the unnamed man and charge him with "promoting emigration to Southern Rhodesia, contrary to section 2 of the Southern Rhodesia Act, 1965, and article 14(1)(b)."

The particulars given were that he, "on a day between March 20,

1976, and April 27, 1976, did an act calculated to solicit or encourage a member of the public (who was named) to take up residence or employment in Southern Rhodesia, namely, sent him an application form for the Department of Immigration Promotion of Rhodesia."

During the trial objection was taken in the charges. Its substance was that the offence under article 14(1)(b) related to members of the public generally and only a single member of the public was identified in each charge, which was not enough to amount to the offence.

The Crown's answer was to rely on the Interpretation Act, 1889, by virtue of which the plural could include the singular, so that the offence against a single individual was cured.

The trial judge was unable to accept the Crown's argument. His reason was that translation of plural to singular depended on the context permitting it and the context of the offence excluded application of the Interpretation Act. His reasons, given in a formal ruling at the end of argument, were first to ask "Is not the offence 'members of the public generally' to make sense?"

His Lordship ventured to think that the answer to such a question was that, if one altered the sequence of words by a trifle, it would make sense at once. "I member of the public generally" in their Lordships' estimation, was exactly the same as "a member of the public generally." There was, therefore, no difficulty about applying article 14(1)(b) to the situation.

The trial judge went on to say "The Crown's case is that it is impossible as I say to read (b) as in the alternative 'a member of the public generally.' Had the word 'generally' not been there the arguments adduced by [the Crown] would have been sound."

But as it is I have come to the conclusion, therefore, that these counts do not disclose an offence within that apparently intended by the public generally, under article 14(1)(b), and in those circumstances this submission succeeds."

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

Withdrawal date for new tenancy applications

Covell Mathews & Partners v French Woods Ltd

Before Lord Justice Buckley, Lord Justice Bridge and Sir David Cairns

[Judgments delivered December 9]

The Court of Appeal held that on an application by tenants by way of an originating summons in the Chancery Division of the High Court for leave to withdraw their application for the grant of a new business tenancy, the date of the withdrawal referred to in section 64(2) of the Landlord and Tenant Act, 1954, could only be the date of the judgment on which leave to withdraw was given and the court had no power to back-date such orders.

The court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships dismissed an appeal by tenants, Covell Mathews & Partners, who had applied for leave to withdraw their application for a new tenancy from their landlords, French Woods Ltd, from Mr Justice Gubbins, *The Times* November 4, 1976; (1977) 1 WLR 876, who held that the date of withdrawal was the date of the judgment on which leave to withdraw was granted and affirmed that part of his decision.

Order 21, rule 3(1) of the Rules of the Supreme Court provides that "Except as provided by rule 2, a party may not discontinue an action (whether begun by writ or otherwise) . . . or withdraw any particular claim made by him . . . without leave of the court . . . and the court may order such action . . . to be discontinued . . . or made on such terms as to costs or otherwise as it thinks just."

Mr Paul Batterbury for the tenants; Mr Michael Barnes for the landlords.

LORD JUSTICE BRIDGE said that in 1950 the landlords granted a lease of 14 years to the tenants of business premises, in Leicestershire, at an annual rent of £5,500. The contractual term was due to expire on June 24, 1973. On December 21, 1972, the landlords gave notice under section 25 of the Landlord and Tenant Act, 1954, of the termination of the tenancy on June 24, 1973. On February 5, 1973, the tenants served a counter-notice on the landlords and on March 13, 1973, issued an originating summons in the Chancery Division applying for a further term of seven years at an annual rent of £5,600.

The parties negotiated for two years, but the negotiation broke down and in December, 1975, the tenants vacated the premises leaving sub-tenants in occupation of part of them. On January 23, 1976, the tenants applied under Order 21, rule 3, for leave to discontinue their application for a new tenancy because by an originating summons, and on February 2, 1976, the landlords issued a summons to determine an interim rent. Both applications came before the matter on March 25, 1976. Nothing turned on the matter of the interim rent, and the tenants' application for leave to discontinue the matter was left to be determined by the court.

The court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

On the question whether the court had power to back-date the order made in the summons, the court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

On the question whether the court had power to back-date the order made in the summons, the court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

On the question whether the court had power to back-date the order made in the summons, the court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

On the question whether the court had power to back-date the order made in the summons, the court considered the provisions of the Act and the Rules of the Supreme Court, in similar proceedings under the County Court Rules, tenants could withdraw their applications without leave of the court, which created an anomalous situation.

Their Lordships' view was that the men were not actually contacted by the unnamed person accused as members of the general public, but as individuals named as individuals in the various counts did not in any way prevent their having been recruited as members of the public generally, which was the clear object of article 14(1).

For those reasons the Attorney General's question, was to be answered in the affirmative. The Solicitors: DPP; Lynn Nelson & Co.

If you're looking for a low tar cigarette surely it makes sense to smoke Silk Cut.

The Silk Cut range: All tobacco: Green 44p. Blue 47p. Red 51p. King Size 55p. International 62p.
With 25% tobacco substitute: Blue 47p. King Size 55p or with 40% tobacco substitute: Ultra Mild 55p.

Recommended prices at 8th Dec.

SC012

LOW TAR As defined by H.M. Government
H.M. Government Health Departments' WARNING:
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

هذا ان الاصل

City Offices
Hampton & Sons
01-236 7831

01-236 7831

§ Forward bargains are permitted on two previous days

[illegible]

When will
recession be
reversed?
Page 25

High Street sales in November decline for third month running

By Caroline Atkinson

Christmas began a little late this year for the High Street shops. Retail sales fell back in the month, but the decline was not as sharp as in the previous two months. The level of retail sales was nearly 2 per cent lower, at an annual rate, than in the previous three months.

Provisional government estimates published yesterday showed a fall in trade last month, but the decline was not as sharp as in the previous two months. The level of retail sales was nearly 2 per cent lower, at an annual rate, than in the previous three months.

RETAIL SALES

The following are the seasonally adjusted figures for retail sales released by the Department of Industry:

	1977	1976	% change
Nov	108.2	108.3	+1.5
Oct	108.3	108.3	+1.5
Sept	108.3	108.3	+1.5
Aug	108.3	108.3	+1.5
July	108.3	108.3	+1.5
June	108.3	108.3	+1.5
May	108.3	108.3	+1.5
April	108.3	108.3	+1.5
March	108.3	108.3	+1.5
Feb	108.3	108.3	+1.5
Jan	108.3	108.3	+1.5

More forecasters are expecting a strong rise in consumer spending next year to be the main force behind growth in the economy. As inflation continues to moderate, and earnings increases step up, there will be a substantial boost to real incomes. This should lead to a revival in consumer spending.

One possible reason for the drop in retail sales from the summer peak is that wage settlements have been delayed. Many groups of workers have been playing a wait-and-see game until the pattern of phase three settlements became clear.

Criticism in DoT report attacked by accountants

By Desmond Quigley

Dixon Wilson, the accountancy firm headed by Sir Charles Dixon, yesterday attacked a Department of Trade report, due to be published this morning, which is believed to criticize Sir Charles and the firm.

The report on four companies with which Mr John Stansbury, the former Labour Minister, was involved, including the British Bangladesh Trust and London Capital Group, is believed to contain several criticisms.

Dixon Wilson complained that it had been refused permission to see a copy of the report in advance of publication. "It is outrageous that professional firms and others who are criticized have no opportunity to meet such criticisms until after they have been published. It is hoped that professional bodies will make representations to the department to change its policy in this matter."

"This appears to be yet another occasion where inspectors appointed by the department, acting in a non-judicial capacity but with the benefit of qualified privilege, are able to make damaging remarks about professional firms and persons without there being any satisfactory method of rebuttal."

"Surely consideration should be given either to inspections being carried out on a non-judicial basis, or alternatively, the contents of reports not being published except in the context of any criminal or civil proceedings which may result."

Central bankers fail to agree on dollar policy

From Peter Norman

Western central bankers met in Basel today to discuss the recent sharp fall of the dollar on foreign exchange markets and its implications for the world economy. But the talks adjourned in the evening there was little sign that the Americans and Europeans would agree to a joint policy to prop up the United States currency.

The talks apparently took place in a calm atmosphere. European central bankers argued that present conditions—after the big fall in value of the dollar on exchange markets last week—justified intervention by the United States authorities.

They were reported as saying that the dollar is at present undervalued and that its exchange rate cannot be justified because of the strength of the United States export performance and the inflow of capital into the United States.

The European argument is that the United States large balance of payments deficit arises entirely from the import of oil from Opec countries and finished products from Japan.

The representatives of the Federal Reserve system, were reported to sympathize with the arguments of European central bankers. But the decision as to whether the United States will intervene or not appears to lie with the Treasury in Washington.

For the United States, intervention is a significant political issue. One of the economic viewpoints that has been presented by the Republican Administration of Mr Ford to the Democratic Administration of President Carter is that currency intervention is a waste

Washington rejects trade offer by Japan

From David Cross

Washington, Dec 12. Japan's latest offer to improve trade with the United States fell "considerably short" of American requirements, Mr Robert Strauss, President Carter's special trade representative said today.

The suggestions, which were formally tabled by Mr Nobuhiko Ushiba, the Japanese Minister of Overseas Economic Affairs, during an opening round of 44 hours of talks here, were "insufficient for us to come to grips with our common trade and economic problems," Mr Strauss said.

He declined to go into details of the Japanese offer, but it is understood to include tariff reductions and quota increases on dozens of items imported into Japan.

The Americans, however, want to see a clear target date for the elimination of substantial reduction of its growing trade deficit with Japan.

Japan's current bilateral surplus for the year is expected to total some \$10,000m (about \$14,500m), nearly all of it with the United States, and the European Economic Community.

Mr Strauss said that the "minimum goal" for the United States negotiations with Japan required action that would bring about a substantial shift in the American trade deficit. "We will not be satisfied until that happens," he added.

The huge Japanese trade surplus has to be shared over a couple of years. But he said, "we're looking for trade measures with some immediate effects."

In response to a question, Mr Strauss said that he hoped the Japanese would not resist United States pressures on them to reduce their trade surplus and the surplus in their current account balance of payments.

The United States, Mr Strauss said, was trying to be constructive in its discussions.

Significantly, the most important figures in the United States central banking system did not come to Basel today. Neither Mr Arthur Burns, the Federal Reserve Board chairman, nor Mr Paul Volcker, president of the New York Federal Reserve Bank, attended. Another notable absentee was Mr William Miller, the governor of the Bank of Japan.

Caroline Atkinson writes: Mr Varley's support for the dollar collapsed suddenly yesterday afternoon, as dealers began to fear that nothing would come out of the Basel talks.

The American currency had looked a little stronger in the morning with a growing feeling that the bottom had been reached in the middle of last week.

However, by lunchtime nervousness about the size of the American current and trade account deficits had reassessed itself and substantial central bank support was necessary to hold the currency above its loss of last week.

The dollar closed down against the Deutsche mark at 1.74, the Swiss franc at 2.22, and the Japanese yen at 241.75. Sterling rose to \$1.835 compared with \$1.825 on Friday.

The effective rate index climbed to 63.6 in the morning, but fell back to 63.4 by the afternoon.

The Bank of England joined other European central bankers in propping up the dollar yesterday afternoon.

Although many are calling for a support operation to be mounted for the dollar, it ignores the fact that there is a substantial one already being carried out by the central banks whose currencies are appreciating.

National Starch and Chemical 'will fit easily into existing interests'

Unilever to pay £260m for US group

By Ronald Pullen

Unilever yesterday announced that it was pressing ahead with the purchase of National Starch and Chemical Corporation for a total cost of \$485m (£260m) in one of the largest cash deals by a British-based company.

The Anglo-Dutch food-to-detergents group is offering \$73.50 a share for the 61 million shares in National Starch, a New Jersey-based producer of adhesive, starches and industrial chemicals.

Shareholders will be offered an alternative to take newly issued preferred stock, yielding 5.31 per cent, or 41 per cent which, to comply with United States tax regulations, has to be accepted before the deal is effected.

Terms of the acquisition have been approved by the board of National Starch. Mr Frank Greenwald, who is a director and chairman of the executive committee of National Starch, and his wife have agreed to support the purchase with their 15 per cent shareholding.

Sir David Orr, chairman of Unilever, said yesterday that the group had been looking in earnest for a way to grow bigger in the United States for at least eighteen months, since it would "continue

to be one of the most stable business areas in the world for the next decade."

He admitted that the search for a suitable acquisition had been "a long and arduous road", partly because a purchase of an existing consumer-oriented business could have led to difficulties with the United States anti-trust authorities.

Strong management and an easy fit with Unilever's existing large chemical interests, Sir David explained, were the major reasons why he had been attracted to National Starch.

For the past four years Unilever had been expanding away from commodity based trading interests towards specialty chemicals and National Starch fitted into this strategy as well as providing the existing United States interests of Unilever with a complementary industrial arm.

National Starch last year had sales of \$335m and net earnings of \$24.5m, making it the 39th largest American chemical concern and the 46th biggest industrial group.

About three quarters of National Starch's output serves the home market, and the rest is exported. The group has an impressive record, with sales and earnings doubling over the last decade.

Unilever is, then, paying some 191 times

last year's earnings for the group: not unduly expensive for an American takeover. With around a fifth of National Starch shareholders expected to take the cash alternative for tax reasons, Unilever will have to pay out around \$400m in cash. Half that will come from the liquid resources of Unilever NV, the group's Dutch arm, and the remainder will be raised by long-term borrowing, either in the United States private placement market, through a public debt issue or on the Euromarkets.

Relatively under-gear at the moment, the acquisition will increase Unilever's borrowing as a percentage of shareholders' funds from 29 to 38 per cent.

The acquisition will be made through the Dutch arm, which holds the existing Lipton and Lever interests in the United States. These account for only 10 per cent of the group's capital employed and profits of \$95m still competition in the detergents market has cut Lever's profits so far this year.

Provided all goes to plan and the deal is voted by National Starch shareholders the takeover will be effected by next February or March.

Financial Editor, page 25

Unions accept loss of 1,500 jobs in Hartlepool steel plant closure

By Paul Routledge

Labour Editor

A "big breakthrough" has been made by the British Steel Corporation in its plan to close its Hartlepool plant. The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

The unions have agreed to accept the closure of Hartlepool steelworks at a cost of 1,500 jobs.

Final details of the shutdown are still to be settled, but it seems certain that the Hartlepool plant will close a year ahead of schedule, with record redundancy payments for the men working there.

Outline agreement on the closure was reached yesterday between the British Steel Corporation management and the TUC steel-industry committee, after two months of fruitless negotiations on manpower

But the steel unions are to go ahead with political demands to the Government that investment in new equipment for the industry should not be abandoned. In Clydeside, and Shelton in Staffordshire.

British Steel refused to take part in a joint approach to the Government, and the unions will now take their proposals directly to Mr Varley, Secretary of State for Industry.

Mr Bill Sirs, general secretary of the TUC steel committee, and leader of the industry's largest union, the Iron and Steel Trades Confederation, said last night: "No other country would close it [Hartlepool plant] down."

The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

Mr Sirs, who worked in the TUC steel industry committee to consider jointly the most appropriate course of action. Peter Hill writes: Having off the non-striking operations of the British Steel Corporation and a capital reconstruction were among the measures advocated yesterday by the British Iron and Steel Consumers' Council for dealing with the problems of the corporation, which faces losses of £500m this year.

It also called for government financing of jobs maintained at unprofitable plants for social reasons, and a reduction in manning levels.

In a detailed paper on the problems of the state steel undertaking, the Council also urged the Government to consider the possibility of a "going concern" in industry. The corporation is expected to reach or exceed its present £400m borrowing limit next year or early in 1978. Mr Kaufman, Minister of State for Industry, said yesterday.

He stressed, however, that the Government was keeping a careful watch on pay developments in the industry, but expects the BSC to increase its offer of 6 per cent for 100,000 steel workers to the 10 per cent figure now regarded as "the going rate" in industry.

The Government is keeping a careful watch on pay developments in the industry, but expects the BSC to increase its offer of 6 per cent for 100,000 steel workers to the 10 per cent figure now regarded as "the going rate" in industry.

Mr Varley, Secretary of State for Industry, yesterday called for steel companies to play their part in supporting the working parties.

Dealing with British Leyland, Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Clarification sought over Elliott deals

By Michael Prest

Financial Editor

A meeting of institutional shareholders in Elliott Group of Peterborough is to be held on Thursday. The meeting has been called by the company's chairman, Sir Elliott, and will be held in their offices.

Institutions are thought to be unhappy about some of the explanations offered by Elliott when he revealed a half-year loss of £246,000 on Friday. They also want clarification of certain share dealings by directors of the company. A Stock Exchange inquiry into Elliott continues.

Mr Elliott announced orders from Saudi Arabia worth £54m in August. In October it was announced that in fact no firm agreement had been signed. In the meantime three directors of the company had sold substantial numbers of shares at favourable prices. Mr E. L. V. Smith, chairman of Elliott, sold 335,000 shares for about £33,000.

Some institutions feel that even if the deal had materialized it must have been obvious to Elliott that it would not have improved the outlook for the company. Two key questions they may raise are whether the directors knew the true trading position at the time of the original announcement, and whether all the losses had been written off.

So where were the rest of the sub-committee members? Mr Elliott attempted to account for their absence, but he could not. Mr Nicholas Ridley, Conservative (Cirencester and Tewkesbury) was in the House, taking part in the Polish ships debate.

Mr Fred Silverman, Conservative (Manchester, Withington) was in Manchester. Mr John MacGregor, Conservative (South Norfolk) had just been appointed a whip and his replacement, Mr Ian Stewart, had not been able to rearrange his diary at short notice. Mr John Garrett, Labour (Norwich, South) was at another meeting.

Mr Brian Sedgemore, Labour (Luton, West) had been seen at the last parliamentary division, but his whereabouts were unknown. As were those of Mr Giles Radice, Labour (Durham, Chester-le-Street). Finally, Mr James Boyden, Labour (Bishop Auckland) as chairman of the parent committee is only a nominal member of the sub-committee, and does not actually attend its meetings.

Melvyn Westlake

Mr Rodgers said the write-off relating to Freightliners and all but £5m attributable to National Carriers, which has been the corporation's serious loss-maker. He told Mr Cohen that the Government also intended to make a grant of up to £15m to help to meet National Carriers' capital requirements.

In April this year the reported losses of £15.3m in 1976

level of individual companies. To this end, the CBI sought to ensure companies played their part in supporting the working parties.

Dealing with British Leyland, Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Mr Varley said he found the reduction in the group's market share "most disturbing".

Unions accept loss of 1,500 jobs in Hartlepool steel plant closure

largest union, the Iron and Steel Trades Confederation, said last night: "No other country would close it [Hartlepool plant] down."

The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

The unions have agreed to accept the closure of Hartlepool steelworks at a cost of 1,500 jobs.

Final details of the shutdown are still to be settled, but it seems certain that the Hartlepool plant will close a year ahead of schedule, with record redundancy payments for the men working there.

Outline agreement on the closure was reached yesterday between the British Steel Corporation management and the TUC steel-industry committee, after two months of fruitless negotiations on manpower

But the steel unions are to go ahead with political demands to the Government that investment in new equipment for the industry should not be abandoned. In Clydeside, and Shelton in Staffordshire.

British Steel refused to take part in a joint approach to the Government, and the unions will now take their proposals directly to Mr Varley, Secretary of State for Industry.

Mr Bill Sirs, general secretary of the TUC steel committee, and leader of the industry's largest union, the Iron and Steel Trades Confederation, said last night: "No other country would close it [Hartlepool plant] down."

The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

The unions have agreed to accept the closure of Hartlepool steelworks at a cost of 1,500 jobs.

Final details of the shutdown are still to be settled, but it seems certain that the Hartlepool plant will close a year ahead of schedule, with record redundancy payments for the men working there.

Outline agreement on the closure was reached yesterday between the British Steel Corporation management and the TUC steel-industry committee, after two months of fruitless negotiations on manpower

But the steel unions are to go ahead with political demands to the Government that investment in new equipment for the industry should not be abandoned. In Clydeside, and Shelton in Staffordshire.

British Steel refused to take part in a joint approach to the Government, and the unions will now take their proposals directly to Mr Varley, Secretary of State for Industry.

Mr Bill Sirs, general secretary of the TUC steel committee, and leader of the industry's largest union, the Iron and Steel Trades Confederation, said last night: "No other country would close it [Hartlepool plant] down."

The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

The unions have agreed to accept the closure of Hartlepool steelworks at a cost of 1,500 jobs.

Final details of the shutdown are still to be settled, but it seems certain that the Hartlepool plant will close a year ahead of schedule, with record redundancy payments for the men working there.

Outline agreement on the closure was reached yesterday between the British Steel Corporation management and the TUC steel-industry committee, after two months of fruitless negotiations on manpower

But the steel unions are to go ahead with political demands to the Government that investment in new equipment for the industry should not be abandoned. In Clydeside, and Shelton in Staffordshire.

British Steel refused to take part in a joint approach to the Government, and the unions will now take their proposals directly to Mr Varley, Secretary of State for Industry.

Mr Bill Sirs, general secretary of the TUC steel committee, and leader of the industry's largest union, the Iron and Steel Trades Confederation, said last night: "No other country would close it [Hartlepool plant] down."

The price of closure will be high. Terms being negotiated will be "as good as any workman had anywhere in Britain."

The unions have agreed to accept the closure of Hartlepool steelworks at a cost of 1,500 jobs.

Final details of the shutdown are still to be settled, but it seems certain that the Hartlepool plant will close a year ahead of schedule, with record redundancy payments for the men working there.

Committee proves too select for its task

It was a rather embarrassed Mr Michael English, Labour MP for Nottingham West, that emerged from Committee Room 3 late yesterday afternoon to announce that insufficient MPs had turned up to provide a quorum for the Commons Select Committee on public spending.

For almost 30 minutes important witnesses from the Treasury and the Inland Revenue had paced the corridor, waiting to be called before an authoritative sub-committee of the all-Party Expenditure Committee.

One of a theoretical total membership of nine, only Mr English, the sub-committee's chairman, and Mr John Lodge, Conservative MP for Havering, Upminster division, were present. This was one less than necessary for a quorum.

It was, Mr English said, the first time there had been such an occurrence since he became chairman early in 1974. Certainly, it was an event strangely at odds with the frequent demands made by MPs for greater parliamentary scrutiny of the machinery of Government. Only last week, during the debate on the Crown Agents, MPs were in full voice on this issue. Backbench power and accountability was the cry.

Yet, here was a deputy secretary of three under secretaries from the Treasury, and a commissioner from the Inland Revenue waiting to account for themselves.

Admittedly, the specific subjects to be discussed were of a rather abstract kind. Essentially, they were related to three papers prepared earlier by the Treasury and the Inland Revenue, of which the most important dealt with the possible inclusion of medium-term revenue projections in the annual expenditure White Paper.

It has long been argued that it is only possible to place public spending in a proper perspective if it can be seen in direct relationship to the flow of taxes and other receipts that will finance it.

Naturally, government departments see many difficulties in doing this, although they are ready to make some gesture in this direction.

But, abuse or not, it is the sub-committee itself that has been pressing for this particular reform. The Treasury and the Inland Revenue were responding.

So where were the rest of the sub-committee members? Mr English attempted to account for their absence, but he could not. Mr Nicholas Ridley, Conservative (Cirencester and Tewkesbury) was in the House, taking part in the Polish ships debate.

Mr Fred Silverman, Conservative (Manchester, Withington) was in Manchester. Mr John MacGregor, Conservative (South Norfolk) had just been appointed a whip and his replacement, Mr Ian Stewart, had not been able to rearrange his diary at short notice. Mr John Garrett, Labour (Norwich, South) was at another meeting.

Mr Brian Sedgemore, Labour (Luton, West) had been seen at the last parliamentary division, but his whereabouts were unknown. As were those of Mr Giles Radice, Labour (Durham, Chester-le-Street). Finally, Mr James Boyden, Labour (Bishop Auckland) as chairman of the parent committee is only a nominal member of the sub-committee, and does not actually attend its meetings.

Melvyn Westlake

Mr Rodgers said the write-off relating to Freightliners and all but £5m attributable to National Carriers, which has been the corporation's serious loss-maker. He told Mr Cohen that the Government also intended to make a grant of up to £15m to help to meet National Carriers' capital requirements.

In April this year the reported losses of £15.3m in 1976

level of individual companies. To this end, the CBI sought to ensure companies played their part in supporting the working parties.

Dealing with British Leyland, Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Mr Varley said he found the reduction in the group's market share "most disturbing".

The new chairman, Mr Michael Edwards, would have a formidable task in halting and reversing the slide.

In the case of Chrysler UK, the Secretary of State made clear there could be no question of departing from the Government's agreement with the United States parent for financing the present reorganization.

Mr Varley said he found the reduction in the group's market share "most disturbing".

How the markets moved

Rises	Falls
10p to 34p	ANZ Group 12p to 23p
10p to 66p	Broken Hill 10p to 46p
10p to 174p	Broken Hill 10p to 46p
8p to 210p	Broken Hill 10p to 46p
12p to 126p	Broken Hill 10p to 46p
7p to 193p	Broken Hill 10p to 46p
2p to 33p	Broken Hill 10p to 46p

Equities drifted. Edged securities showed gains. Dollar premium 93.82 per cent (effective rate 35.53 per cent). Sterling gained 20 points to 81.51. The effective exchange rate index was at 63.4.

On other pages	Business appointments	Appointments vacant	Wall Street	Bank Base Rates Table
24	Annual Statements: City of London Building Society	25	27	27
24	Linacred	24	27	27
24	Lucas Industries	24	27	27
24	United City Merchants	26	27	27

The Times index: 204.69-0.47
The FT index: 484.5-1.4

THE POUND	Bank	Bank
Australia \$	1.66	1.61
Belgium Fr	36.25	29.25
Denmark Kr	6.50	6.50
France F	2.00	2.00
Germany Dm	17.40	11.00
Italy L	7.80	7.55
Japan Y	9.10	8.30
Netherlands Gld	4.10	4.20
Norway Kr	10.02	9.66
Portugal Esc	79.50	75.50
Spain Ptas	165.75	151.75
Sweden Kr	9.08	8.73
Switzerland Fr	4.39	4.37
Yugoslavia Dnr	37.50	35.00

Gold lost \$0.75 to \$158.125. SDR-8 was 1.9333 on Monday, while SDR-E was 0.650742. Commodities: Reuters' index was at 1441.9 (previous 1443.3). Reports pages 26 and 27

<hr/>	
Interim Statements:	
May & Hassell	23
Rowlinson Construction	27

Banking union split deepens after Nube boycotts bargaining talks

By Christopher Thomas

Inter-union hostility in banking deepened further yesterday after the National Union of Bank Employees (Nube) boycotted a meeting of the Banking Staff Council, the union side of the bargaining structure. The meeting was abandoned because there was not a quorum.

The decision against taking part cemented Nube's previous decision to withdraw from all joint bargaining machinery shared with the staff associations at Lloyds, Barclays and National Westminster.

The withdrawal, while subject to a formal period of notice that expires in March, is now fully effective. The big question is what happens in March. The options are for the banking Staff Council to continue without Nube or for it to cease operation in its present form.

Mr Wilfrid Aspinall, general secretary of the Confederation of Bank Staff Associations, which comprises Lloyds,

National Westminster and Barclays, accused Nube of sabotaging existing negotiating machinery. Mr Leif Mills, Nube general secretary, said: "We have decided there is no point in having any more staff council meetings."

The rift was deepened over disagreement about whether to accept a phase two pay deal, and the many years of disagreement on fundamental issues now have hardened. The employers are deeply concerned at the prospect of a complete breakdown in the bargaining machinery, which seems virtually unavoidable.

Nube is pursuing claims directly with the English clearing banks instead of acting through the staff council. The two main claims are for local negotiations in the Channel Islands, particularly because they are exempt from pay restrictions, and a claim on the qualifying time for overtime payments in the banks (at

present 30 minutes, which it wants reduced to 15).

The employers have proposed an inquiry into staff relations which so far has been accepted in principle by Nube and the staff associations of Lloyds.

Mr Aspinall said last night: "The only way national negotiations can cease is by a resolution of the Banking Staff Council. A resolution has never been tabled. The council will continue until it is terminated by an extraordinary resolution."

That view, however, was challenged by Mr Mills who thought it was unlikely that the staff council would continue in its present form. "I do not think the banks would want to go through the charade of negotiating only with the staff associations."

The staff associations wanted discussions at yesterday's staff council on the removal of anomalies. The meeting was abandoned after waiting the required 15 minutes for a quorum.

Americans show interest in UK watch invention

A new British concept in watch and clockmaking which links electronic precision with the appearance of a traditional dial, and yet uses no moving parts, may be adopted for volume production by an electronic watch company in the United States.

The inventor is Mr Nicholas Murrell, managing director of Murrell Dynamics, an Edinburgh-based research and development firm which is a subsidiary of Scottish Homes Investment Company. Both Mr Murrell and Mr John Terry, managing director of Scottish Homes, were formerly with Timex.

Opec price standstill or small rise forecast

From Michael Hornsby, Brussels, Dec 12

Maintenance of oil prices at their present level for at least a part of 1978, or alternatively a modest increase of between 3 to 5 per cent, is the most likely outcome of the meeting of the Organization of Petroleum Exporting Countries in Caracas on December 20.

This is the conclusion of the energy department of the European Commission, headed by Dr Guido Brunner, one of the two German Commissioners, on the basis of information from its own sources and confirmed by the soundings among the main industrialized countries.

The coming Opec conference is to be discussed at tomorrow's

meeting here of EEC energy ministers at which Britain will be represented by Mr Tony Benn. Dr Brunner is expected to urge ministers to reaffirm the importance attached by the EEC to stable oil prices for the recovery of world economic activity.

The Commission believes that a clear signal from the EEC and other industrialized countries could strengthen the hand of those within Opec, led by Saudi Arabia and Iran, who are arguing for a freeze on oil prices.

According to the Commission, a freeze is also favoured by the three countries forming the United Arab Emirates (Abu Dhabi, Bahrain and Qatar), Kuwait and Indonesia.

Plea on Fay in Crown Agents appeal case

The Crown Agents were alleged in the Appeal Court yesterday to have lent £2,400,000 on insufficient security and to have agreed to postpone indefinitely repayment of interest on the loan, which was made to Murrayfields Securities Ltd in December, 1973.

After it had been made, the Crown Agents had agreed to interest on the loan, against either Murrayfields or the sureties, before the agreement was made. The agreement was made by the Crown Agents' refusal to accept immediate repayment of the interest.

Mr Swift was appearing for the sureties for the loan, who are challenging the agreement of Sir Robert Megarry, the Vice-Chancellor, last May, awarding the Crown Agents' company, Four Millbank Nominees, which conducted the loan transaction, £2,400,000 against the sureties.

The Crown Agents had taken legal action against the sureties after Murrayfields failed to repay the loan.

The sureties are Mr Philip Frederick and Mr Hyman Solomon, both of Roshick Law, 10, Abchurch Lane, London, EC4N 3JF, and 35-37 Baker Street (Investments) Ltd, of Holborn Viaduct, London.

They are contending that the Vice-Chancellor did not deal with an important question of fact, concerning an alleged

oral agreement made by the Crown Agents and Murrayfields five days after the loan agreement.

Mr Swift said that the oral agreement stemmed from the Crown Agents' refusal to accept immediate repayment of the interest on the loan.

The Crown Agents had agreed not to enforce covenants for the repayment of the principal or interest on the loan, against either Murrayfields or the sureties, before the agreement was made. The agreement was made by the Crown Agents' refusal to accept immediate repayment of the interest.

Mr Swift said that the oral agreement had been made with Mr Bernard Wheatley on behalf of the Crown Agents. Mr Wheatley had resigned from the Crown Agents in January 1975.

Subsequently he faced criminal charges in connection with matters with which he had been concerned while employed by the Crown Agents. They were not connected with the present case.

The hearing continues today.

LETTERS TO THE EDITOR

How UK foots the bill in its trade with the Poles

From Mr W. N. S. Calvert

Sir, Two recent, but quite separate episodes illustrate well where attempts to increase trade with East European countries can lead us.

First was a story in *The Sunday Times* that Poland's shops were short of 734,000 pairs of shoes because they had been on order since 1975.

The boot in question is a copy of a design that originated in this country some years ago, and supplies could perfectly well have been provided by our own factories. That they are not is because the Poles price their footwear at whatever level is needed to ensure that they sell here.

In fact imports of footwear from Poland which have grown in recent years to 4.5 million pairs have deprived over 3,000

British workers of their jobs and are costing us £8m a year in foreign exchange.

However, it seems that if we are to import from them, at least we will export ships in return; the taxpayer is apparently to provide some £28m to ensure that we can do this.

The result of these transactions will be that the Polish people will have to do without their shoes; the Poles will get ships at a price which will enable them to undercut freight rates charged by our own ships, presumably putting our own seamen out of jobs. British footwear workers will continue to be unemployed; and the British taxpayer will fork out heavily to finance it all.

Such are the blessings of trade with East Europe. Yours faithfully, W. N. S. CALVERT, British Footwear Manufacturers Federation, Rokeby House, 72 Dean Street, London W1V 5HB.

Creating the climate for success in engineering

From the President of The Institution of Civil Engineers

Sir, The remarks of Mr Gordon Oakes, Minister of State, Department of Education and Science, on the occasion of awarding prizes at a schools design competition (*The Times*, November 16) are a useful both to the health of engineering in Britain and as careers advice to those boys and girls who have potential creative gifts.

Industrial success depends upon creativity throughout engineering, with comparable esteem for those who make valuable contributions, whatever their relative dependence upon the use of "brain" or of "hand-and-eye". Mr Oakes displays symptoms of the very "classroom syndrome" which he deplores, by implying incompatibility between creativity and high academic achievement.

With two of our sister institutions we are actively supporting "Open Windows on Engineering", a scheme whereby young engineers are going, by invitation, into the schools not to recruit but to share some of their own experience of the nature of engineering. The object is to enable boys and girls to aim towards points of entry into engineering appropriate to their talents; they may be confused now by Mr Oakes who seems to regard engineering as commercial art.

The two most immediate, and associated, causes of the weaknesses of the contribution by engineering graduates in certain areas of manufacturing and extraction industries are: (a) industrial direction being dominated by tactical accountancy instead of strategic engineering; (b) the suspicious of the "practical men" (and women) in the industries.

Victory over these defects, essential for our industrial health, and to avoid social alienation, will not be helped by Mr Oakes's contribution. I touched on these and similar threads of the pressing social responsibilities of politicians and engineers in my recent presidential address to this Institution. I would like to recognise Mr Oakes as an ally in these objectives. Yours, A. M. MUIR WOOD, Great George Street, London SW1P 3AA, November 29.

The dangers of a wages explosion

From Professor D. S. Lees

Sir, You say (December 6, page 17) that "if earnings rise significantly above the 10 per cent target, then price inflation will once again begin to accelerate next summer". That is wrong.

As you yourself, sir, have correctly said on many occasions, price inflation depends upon some previous increase in the money supply. If the current expansion of the money supply of 13 per cent per annum continues, then prices (next summer or not) will not rise by much more or less than that figure.

Should trade unions force up earnings at a faster rate, then unemployment will rise. A wages explosion will produce an unemployment explosion, as long as the money supply is kept under control.

Is there not a message here for trade union leaders? Do they really want so many of their members out of work? To say nothing of the hapless victims who are not members of trade unions? Yours faithfully, DENNIS LEES, Department of Industrial Economics, University Park, Nottingham, NG7 2RD.

Taking adequate steps to reduce product liabilities

From Mr Howard Abbott

Sir, In Mr Farahy's letter (December 6 "Dangers faced by manufacturers in product liability proposals") he says: "It appears to me that there is little wrong with the present system where aggrieved parties can sue manufacturers in contract or common law or both, where death or injury results from a product defect."

But it is in this sentence that the problem lies. Under contract the aggrieved party can sue under the Sale of Goods Act so that if one bought a bottle of lemonade and drank it and became ill as a result then the purchaser could sue the manufacturer.

But if he gave some of the lemonade to a friend who became ill the friend could not sue under the Sale of Goods Act because he had no contract with him. His alternative would be to sue the manufacturer, but he would have to prove that the manufacturer had been negligent.

The onus of proof in such a case could be difficult to establish in the case of a product based on technology. The whole basis of the EEC draft directive and the Strasbourg Convention on Product Liability is to shift the onus of proof from the consumer to the manufacturer, importer or exporter. If the law so changes then the responsible manufacturer who sets out to take adequate steps to reduce his product liability hazards will have little to fear.

Yours faithfully, HOWARD ABBOTT, Harland Cottage, Boscastle, Cornwall PL35 0RE, December 7.

Try again for the tunnel

From Sir Eugene Melville

Sir, I strongly support the views on a Channel tunnel expressed by Sir John Colville (December 8).

When the relative merits of bridge and tunnel were being studied during the period when I was special adviser on the Channel Tunnel in the early 1970s, the decision was firmly in favour of a tunnel. While technically feasible, a bridge would start by being at least twice as expensive as a tunnel and would carry exceptional risks of cost escalation; it would cause unacceptable hazards to shipping, even with advanced navigational aids (as my colleague on the Chesapeake Bay bridge warned us

from American experience); and it would require international agreement (including Russia's) which might be difficult and would certainly be time-consuming to obtain.

I do not believe that technological advances as Horace Cook suggests, or any other changes in the few years that have since elapsed materially affect this decision. I still have no hesitation in preferring a tunnel. We nearly got it in 1974 and we should try again now, when the EEC have expressed interest. Yours faithfully, EUGENE MELVILLE, Longcroft, Aldersburgh, Suffolk, December 2.

Bureaucrats pillory the landowner

From Mr D. H. Duckworth

Sir, Professor Chisholm's (November 24) thinking on taxation of derelict land is regrettable in so much as it is impossible to create a viable scheme. The planners will say viability is not their scene. They do not know nor care what the land or property market requires in the business sense.

It is difficult to understand why authorities do not use their compulsory powers to acquire such derelict land. Perhaps it is easier and better politics for bureaucracy to pillory the owner rather than do something positive in the matter. Yours faithfully, D. H. DUCKWORTH, PO Box 12, St Austell, Cornwall, December 2.

of it. There are always good reasons why. In the vast majority of cases with land it is because the planners are making it impossible to create a viable scheme. The planners will say viability is not their scene. They do not know nor care what the land or property market requires in the business sense.

It is difficult to understand why authorities do not use their compulsory powers to acquire such derelict land. Perhaps it is easier and better politics for bureaucracy to pillory the owner rather than do something positive in the matter. Yours faithfully, D. H. DUCKWORTH, PO Box 12, St Austell, Cornwall, December 2.

Peace move on Triumph strike fails

By Our Northern Industrial Correspondent

An initiative by shop stewards at Leyland's Triumph car plant at Coventry aimed at trying to set up fresh talks today on the dispute at the Triumph Coventry works which is now in its sixth week, failed yesterday when stewards from Liverpool refused to attend the meeting.

The strike by 2,000 workers at Speke, Liverpool, has caused the lay-off of another 1,500 employees there and of a further 2,000 at Coventry.

All production of the TR7 models at Liverpool and the Dolomite range at Coventry is stopped and so far losses are running at about £40m on both models.

The Coventry plant is hit because body shells for the Dolomite are manufactured on Merseyside.

The dispute centres on new manning and work schedules that have been introduced by Leyland at Liverpool, after studies there by industrial engineers.

Various attempts to find a peace formula have failed during the past five weeks.

Yesterday the Coventry stewards invited management officials and stewards from Liverpool to meet them today at Keele, Staffordshire, for what they described as "exploratory talks". But by last night the strike leaders at Liverpool had made it clear that they had no intention of attending.

A Leyland management spokesman said: "The management was ready to talk."

Anti-dumping plea on imports of chinboard

Whitehall officials are discussing with the European Commission the possibility of imposing anti-dumping measures against imports of wood chipboard from Sweden and Spain.

The British Wood Chipboard Manufacturers' Association said yesterday it had supplied evidence to the Department of Trade and was urging action.

"The difficulties facing the chipboard industry include the rapid erosion of its home market shares by low-priced imports from major European producers", said a spokesman.

Business appointments

Changes at Leopold Joseph Holdings

Mr R. Herbert has become a director of Leopold Joseph Holdings and will succeed Sir Hugh Weeks as chairman in the latter part of 1978.

Mr V. V. Sytnikov has been made a director of the Moscow Narodny Bank.

Mr S. V. Tombe is now a local director of Singer & Friedlander.

Mr Terry Green has been made managing director of Williams Lea Off-set.

Mr C. R. W. Fleet has become chairman and managing director of F. E. Fry and Co. He was previously deputy chairman and managing director. Mr A. S. Jolliffe has been made a director.

Mr D. Fowler and Mr D. Alastair Bennett have joined the board of Bentalls.

Harvey Gidson is now a director of the Henley Centre for Forecasting.

Mr Sydney L. Alexander has been made an associate director of the Heine Brothers Organisation.

Mr Basil N. Eckhardt, general manager of the Leicester Building Society, has been made a director.

Mr Rauld A. Civrays, has joined the board of Scotcos.

£2.6m assisted learning programme bows out

Introducing his final report as director of the National Development Programme in Computer Assisted Learning (NDPCAL) in London yesterday, Mr Richard Hooper said that there had been a success rate of about 70 per cent in following-through specific projects into continued use in universities, colleges and other institutions.

The five-year programme has cost about £2.6m, was sponsored by seven government departments, and was the largest educational technology programme ever funded in the United Kingdom.

When the programme finishes at the end of this month, the Council for Educational Technology will take over responsibility for coordinating computer-assisted learning in Britain.

Thirty-five development projects and feasibility studies are listed in the report, covering

Computer news

tertiary education, schools, the armed services, industrial training and general transferability.

The main industry-related project involved the CAMOL (Computer Assisted Management Of Learning) software which was developed by a team from International Computers.

In its five-year life the programme had come a long way away from the original United States view of computer-assisted learning as merely computer-based programmed instruction. Mr Hooper commented. In particular, the power of the computer when used for simulation appeared most significant; this could be applied to a wide range of subjects from complicated chemical processes and engineering systems to biomedical studies.

No revolutions for computer-assisted and computer-managed learning in education were predicted or prescribed, the director reported. A period of gradual growth was required, geared to finances available, teacher commitment, changing curricula and changing technology.

Library network

The British Library is setting up a private data communications network to give local-call access to its computer-based information service, known as Blaise, from Birmingham, Boston Spa, Edinburgh, London and Manchester.

Blaise (British Library Automated Information Service) was recently inaugurated by Mrs Williams, Secretary of State for Education and Science. It uses the computing power of an IBM 370 Model 145 provided on a lease basis by Rank Hovis McDougall Management Services at Harlow, Essex; for the

next three years or so it will run in parallel with the library's Merlin system which is being developed on CompuLink ICL 2960.

BCS awards

A group of general practitioners in Exeter and a research team at Newcastle University, were presented with the British Computer Society's computing awards for 1977 at the society's recent annual dinner at Imperial College, London.

The Exeter Community Health Computer Project, based on two hospitals and two health centres, provides doctors with access to medical records via 80 visual display units linked to an ICL 1904A.

At Newcastle, Professor Brian Randall and his group in the university computing laboratory won the second award, which is for technical achievement in the development of computing.

Kenneth Owen

Lucas 1977

A Common Interest in Lucas and Its Future

This year for the first time we have separated the Chairman's Review from the formal Annual Report and Accounts and we have considerably expanded the Review with the intention that it should, in a single document, provide the kind of information which concerns both shareholders and employees. It will, we hope, be of interest also to the wider audience which includes, among others, suppliers, customers, financial institutions and the press, as well as members of the public, who are the ultimate consumers of so much of our product.

The principal reasons for this important change are that we believe industry must respond to the demands for more open conduct of its affairs, and we wanted to emphasise particularly the common interest in Lucas and its future that is shared by employees and shareholders. If you would like a copy of the Review, entitled "Lucas 1977", with or without the formal Report and Accounts, would you please contact our Public Relations Department.

Highlights of the 1977 Results

Sales up 23% to a New Record

Pre-tax Profits up 38%

£100 million Spent on Factories at Home and Abroad

5,000 New Jobs Created in UK

Direct Exports from the UK up 25% to £140 million

Two-thirds of Lucas' business now arises Overseas

	1977 £ million	1976 £ million
Sales	886.1	719.3
Profit before tax	77.3	55.8
Profit attributable to shareholders	36.7	27.9
Shareholders' funds	315.8	259.7
	Pence per ordinary share	Pence per ordinary share
Net assets	348	319
Earnings	30	26
Dividends:		
Interim	2.122	1.153
Final	6.098	5.442
Total	8.220	7.595

Lucas Industries Limited
Great King Street, Birmingham B19 2NF

Linread LIMITED

- Trading profit and income more than doubled at £969,000 after providing for terminal loss of £286,000 in Australia.
- Pre-tax profit of £166,000 after heavy loss last year.
- Exceptional tax charge, producing post-tax loss, arises from unrelieved losses in Australia.
- Profit contribution from roofing and cladding fasteners and the German subsidiary again outstanding.

YEAR TO JULY (£'000)	1977	1976
External Sales	14,297	11,295
Trading Profit and Income	1,255	407
Profit (loss) before Terminal loss in Australia	452	(348)
Profit (loss) before tax and Extraordinary items	166	(353)
Attributable earnings (loss)	(169)	(242)

Manufacturers of
Specialised fastener systems for the aerospace, consumer durable, automotive and building industries.

BIRMINGHAM · ENGLAND

BY THE FINANCIAL EDITOR

Why Unilever wants National Starch

Unilever is to a large extent hoist with its own petard. The group, is so large and amorphous—capital employed in 1976 was £8,900m and turnover was £27,300m—that almost any acquisition is likely to be a mere bagatelle on an overall view. So even though it is paying up to \$485m cash for National Starch, that will not fundamentally alter Unilever's structure. To achieve what is nevertheless a bold step for any standards, Unilever is still having to pay a fairly handsome price. Net earnings last year at National Starch were \$3.74 a share and assuming they rise to something over \$4 in 1977 Unilever is taking the company out on around 18½ times earnings on the purchase price of \$73.50. With financing costs of 4½ per cent on the new preferred stock—which could account for up to a fifth of the total purchase cost—and the roughly similar after tax cost of the borrowings to fund the balance, National Starch will add only \$54m or 1 per cent to Unilever's 1976 earnings.



Sir David Orr, chairman of Unilever Ltd.

At the same time there is a hefty \$935m goodwill element in the purchase cost which will need to be written off Unilever's balance sheet. Half the purchase cost will be financed from Unilever's NY's funds resources and the rest will be met by borrowing in the United States, so with only some \$40m of debt in National Starch's balance sheet the effect on Unilever will be to raise gearing around 9 points to 35 per cent. What makes National Starch that sort of prize? Although the growth in earnings from \$2.23 to \$3.74 over the past five years is not quite as impressive as Unilever's, the long-term earnings record—15 per cent a year over the past 20 years—is nothing to argue with and a glance at the working capital, stock and other balance sheet ratios indicates that National Starch's management is every bit as good as Unilever's.

For Unilever, the acquisition provides it with an entrée not only to the United States but also the fast growing starch market (rising at 7 to 9 per cent a year) which so attracts Tate & Lyle to Maudslayi & Garmon, particularly when any hopes of moving into the EEC starch market have been stunted by the severe levy decision.

At the same time the deal gives an industrial leg to Unilever's existing, concentrated United States interests and the fact that it will add some 23 per cent to American sales and more than a half to profits speaks volumes for the sort of pressure the Lever detergent side is facing. Meanwhile the financing of the deal should go smoothly. Assuming the Greenwall family and a few others take the paper option the cash element will be around \$400m and Unilever should have no trouble raising perhaps half that in the American capital market. One point also worth noting about the deal is that Unilever appears to have found an elegant way round United States tax rules by offering the preference alternative.

Harrisons & Crosfield A counter move for Malayalam

Harrisons & Crosfield has been pushed into a full scale bid for its associate Malayalam Plantations (Holdings), valuing the company at £8.15m, from its falling into the clutches of McLeod Russell. McLeod has yet to say whether it will stay in the

contest and raise its latest offer of 25½p a share to above H & C's 30p cash alternative, or bow out gracefully. But there is a good chance it will be content to take a gross profit of over £1m on the exercise. The H & C counter bid which has been accepted by Malayalam's board, has all the signs of being a lock out. Clearly H & C is anxious to have the business over and done with as quickly as possible. As I mentioned last week, the bid does appear to have exposed a damaging gap in the myriad of cross holdings in the H & C empire. H & C only holds a direct stake of 13 per cent, but that is taken up to 23.64 per cent when the holdings of other associates are taken into account. This particular instance has shown that 23 per cent is not high enough to fend off a determined bidder.

Most of the associates are more tightly held but there is one in particular—Harcros—where H & C could be vulnerable. H & C has a direct stake of 19.7 per cent, which is taken up to 22 per cent when associated holdings are taken into account. Harcros is considerably more important in the H & C empire than Malayalam and, apart from anything else, has strategic stakes in some of the other associated companies. For example, while H & C and associates control 50 per cent of Castlefield, that figure is cut back to 35 per cent if Harcros's holding is stripped out and the 39 per cent holding in London Sumatra is cut to 30 per cent on the same basis. Harcros also accounts for 4.4 per cent of the equity of Harrison's Malaysian Estates.

Harcros is therefore of key strategic importance. It would be far too important for H & C to allow it to leave the fold.

● The coal board pension funds' bid for British Investment Trust may not be quite home and dry—for that it would need more than 90 per cent to take out the minority—but with something over 75 per cent acceptance, and more possibly to come from preference holders and those accepting through bank branches, the funds at least have enough to ensure success for an extraordinary meeting to put the trust in liquidation. That will come as a great relief in the stock market this morning, for a considerable weight of money is riding on the success of the bid and that by British Rail Pension Funds, for Edinburgh and Dundee. There has already been significant buying on the assumption that both bids would go through and that more buying would follow as speculators moved in.

The average discount has narrowed by a point or more from around 27 per cent two weeks ago, and the expectation is that, with these bids out of the way, it will narrow further.

Much still depends on the Edinburgh and Dundee bid which closes today. If it is already known to account for at least 58 per cent of the trust and could have a lot more, so the omens are good.

Interest rates

MLR in the balance

The yield on three month Treasury bills dropped to 5½ per cent yesterday, opening up the possibility of a small cut in MLR this week. But the market is doing no more than keeping an open mind on the situation at this early stage in the week and, as I suggested, yesterday, the authorities may well prefer to hold MLR steady for several more weeks yet.

After all, it was only last Thursday that the Chancellor pronounced the 7 per cent was an appropriate rate for MLR and likely to remain so for some time to come. And given the way that mooted quarter-point drops in MLR tend to turn into half-point reductions before one can say Treasury bill, the authorities may well be loath to see any change in the rate unless there is substantial pressure.

True, there is the new short "cap" on the launching pad for Thursday, but the market's enthusiasm or lack of it, for the new stock is more likely to be determined by labour developments over the next forty-eight hours and tomorrow's November trade figures, about which there is already a certain amount of apprehension.

Safety first at Statfjord

Uncertainty about development of the Anglo-Norwegian Statfjord oil field, which contains reserves of 3,900 million barrels, is the largest discovered in the North Sea, should soon be removed.

The Statfjord/Mobil group is submitting plans for a second field platform to the Norwegian Petroleum Directorate (NPD). The state oil company hopes that the designs will be approved without delay and that orders for the B platform can be placed early next year.

If so, a new field development plan should be ready for approval by the Norwegian Parliament before the end of 1978. Oilmen on this side of the North Sea will be watching the moves closely. Not only does part of the field lie in the British sector (Conoco, Gulf and the British National Oil Corporation together have an 11.11 per cent share in the reserve) but the development plans have been revised in the light of the NPD's well-publicized objections to the safety standards of platforms combining working areas and living quarters.

Originally, it was intended to develop the field using three concrete platforms, each capable of handling 300,000 barrels of oil a day. The first of these, the A platform, is still being fitted out after being towed into position in May. Christened belatedly by the Norwegian Prime Minister, Mr. Olav Nordli last month, it is expected to begin production in 1979.

However, 12 months ago—as the A platform neared completion and contract negotiations were being held with Norwegian contractors for the Aker Group for the B platform—Statfjord/Mobil received a terse and totally unexpected letter from the NPD directing that a separate living quarters platform should be provided with Statfjord B.

The new order had to be postponed. Additional safety features had to be built into the A platform, which was further delayed. Statfjord now says that despite the NPD's directive, it is confidently submitting designs for an integrated platform with production, drilling and living areas combined. It will be a four-legged concrete structure, of the Condeep type.

The deck will be larger than that of the A platform, but production capacity—at 150,000 barrels a day—will be half. Mr. Arne Halvorsen, Statfjord/Mobil's Norwegian manager, said that regular discussions had been held with the NPD, which now appears to be reconciled to the view that adequate safety measures can be incorporated into an integrated platform.

Whatever the outcome, the field development plan will need to be revised. Almost certainly a third production platform will be ordered.

Whether more follow remains to be seen. It seems likely, though, that Statfjord/Mobil will reduce the production profile of the field and extend its life.

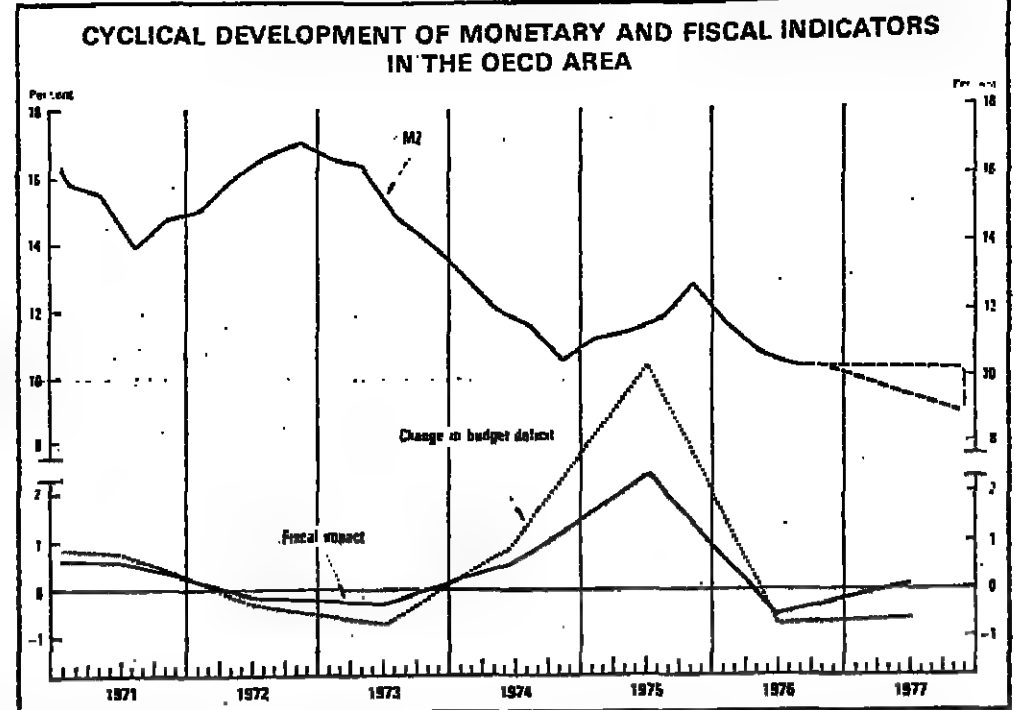
Also to be decided is how, in the long-term, to bring the oil ashore. When production starts it will be transported in tankers, but Statfjord is leading a study to consider the feasibility of a pipeline to Norway.

The terminal would be at Soira, outside Bergen, which is also being considered as the site for a condensate plant. As Mr. Halvorsen explained, the final decision on a pipeline is closely linked to whether other reserves are found in the Statfjord area. Early geological indications are favourable, but the study, due to be completed by autumn next year, is complicated by the difficulties of putting a pipeline across the Norwegian trench.

John Huxley

David Blake on the widening gap between aim and achievement in the world economy

When will the drift be halted?



The plight of the dollar has been attracting most attention on the world's financial markets in the past few weeks, but it is the far more serious plight of the world economy as a whole which is now posing a really dangerous threat to the world's economic and trading system.

It is a year and a half since the industrial nations of the West agreed, on paper at least, on how they would strive to direct their economies towards reasonably full employment combined with price stability by 1980.

Since that time they have consistently failed to meet the very limited target which they set themselves in that programme, which called for growth in the 24 nations of the Organisation for Economic Co-operation and Development to average around 5½ per cent a year in the period from 1975 to 1980.

Only in 1976, as table 1 shows, have the countries of the West come reasonably close to their target. That is had in itself, but more disturbingly, with each passing year the gap between what they need to achieve and what they actually get seems to be widening.

On each occasion this year when the economic experts have met to assess the future, they have been presented with new figures taking a gloomier view of what is likely to happen in the 16 months ahead. The comparison between the July forecast (table 1) and the latest available OECD estimates (table 2), which were discussed recently at a meeting of the OECD's Economic Policy Committee in Paris, shows how the picture has deteriorated in just a few months.

The process has now reached a stage where it has become self-fulfilling, with the failure of the policy being pursued by governments to provide the growth making it impossible to reach the targets for the subsequent year. The forecasts in table 2 are the best estimates available of what will happen one year to achieve reasonable growth making it impossible to reach the targets for the subsequent year. But it is already accepted that the second half of 1977 has been so dreadful, and the lack of demand within the economies of Europe is now so severe that the whole of 1978 has already passed out of the control of governments.

Optimists no longer talk seriously of preventing unemployment from rising during 1978, they merely say that if they succeed in persuading governments of the need to act then they might be able to get economic growth in the first part of 1979 up to a level where unemployment will fall or at least stabilise.

Even if they were to succeed, however, there is no prospect of the West bringing down its unemployment level to anything in line with its traditional post-war experience until well into the 1980s. The world experienced nearly a decade of mass unemployment during the 1930s, and it is almost certain that the admittedly milder recession of the 1970s and 1980s will last as long.

One of the striking features of the present experience has been that a growing number of governments have not just come to believe that it would be unwise to act to stimulate demand by fiscal means, because of the danger of inflation, but actually now argue that such measures can have no effect.

The chart ("Cyclical development of monetary and fiscal indicators in the OECD area") reproduced from the report by leading economists on the OECD's Economic Policy Committee, casts grave doubts on this view. It shows clearly that from late 1973, when it became

apparent that the impact of the oil crisis would be to impose a severe contractionary effect on western economies, the fiscal stance of the major governments within the OECD became steadily more expansionary until the middle of 1975.

This expansionary stance was followed by a real expansion of the economies of the West, which by the end of 1975 were growing at around 5 per cent a year. "What would have happened if the western nations had pursued expansionism with the OECD became steadily more expansionary until the middle of 1975."

In the second half of 1975, fearing that the recovery was starting to proceed too fast, the industrial nations started to throttle back. Some were more enthusiastic about the process than others, but the constraints imposed by the world payments system meant that country after country was forced to fall into line.

Those countries which were most willing to restrict domestic demand, such as Japan and Germany, relied on the periphery of the world to provide their growth; having cut domestic demand and switched resources into exports they then proceeded to move into payments surplus. This accounted for the deficit of those countries which had not restricted output at home because they argued that a strong growth of output was needed to restore the investment needed to provide sustainable growth.

In retrospect, the recovery of late 1975 and early 1976 looks a great deal more fragile than it appeared at the time, particularly to those who feared that the world would repeat the mistakes of the early 1970s and allow excessively rapid expansion.

The restrictive measures introduced from late 1975 onwards have been followed by a run-down in activity. Although this does not prove that changes in the stance of government cause changes in the level of activity, there is a strong pattern of coincidence in recent years between the two.

It also gives at least reasonable degree of credibility to those who argue that if recovery is to proceed at a more rapid pace it will only happen through expansionary policies. There is, however, no realistic prospect of these being tried.

Whether or not countries such as Germany are right to disbelieve the efficiency of stimulatory policies they have shown no sign of being willing to change their policies. Their position is that they hope they have done enough to secure growth of 4½ per cent in 1978, but that if they have not there is really nothing to be done.

In practice, there is no way in which it is possible for the other countries of the West to force the Germans to try to expand more than they feel is right; and there is only a little that can be done to force any action from the other major surplus country, Japan.

The Japanese have become the whipping boys of the world because of the extent to which they have been failing to meet the promises of growth which they have made to the rest of the world, and even more the degree to which their exports have continued to rise and their imports to fall even though they say that they are moving towards payment balance.

The \$10,000m surplus of Japan this year will probably be followed by a similar surplus in 1978 unless some definite action is taken.

The danger is that the only kind of action which can in practice be taken will be for the rest of the world to deal with the Japanese surplus by measures designed to reduce Japanese exports which do nothing to increase the output of the world as a whole. The financial markets have been doing this to some extent already, with their enforced decline in the value of the dollar.

What the fall in the dollar's parity means is that the international money markets believe that the United States cannot go on being the only primary source of expansion.

This view is rapidly gaining ground in some official circles as well, and although United States government officials continue to profess that come what may in Europe they will go on expanding, their promises are being treated with increasing scepticism.

The decline of the dollar will do something to push the burden of supporting the world away from America and towards other countries. The

other force which is now gathering strength at quite terrifying speed is the drift to protectionism. Whether by pseudo-voluntary "agreements" between the United States and Japan, or whether by a unilateral imposition of protection, the Americans are likely to act very soon to slow down Japanese import penetration.

Yet the fact is that although the Japanese are the most obvious examples of a country which exports voraciously, they are not the only ones not to do so. For beneath Japan there are now a whole range of countries, many of them on the periphery of China, all of which have seized the opportunity provided by the ready transference of technology to build up their industries.

For those countries, the fact that the major source of capital has moved to the oil-producing countries' investments in the international capital markets, rather than the more domestically oriented generation of capital within the corporate sector of the industrialized world, has meant that expanding has become easier in recent years.

What the West is faced with is the need to change its industrial structure perhaps more rapidly than ever before to cope with the competition of a new force in industry; the policy it has actually pursued has been one of restriction and slow-down. It is no wonder that the forecast for next year looks bleak.

*Towards full employment and price stability published by the OECD, Paris.

TABLE 1
THE OECD'S JULY FORECAST . . .

Growth of real GNP (percentage change at annual rate)	From previous year			From previous half-year	
	1974	1975	1976	1977 (2nd half)	1978 (1st half)
United States	-2.1	-1.8	6.1	5½	5½
Japan	-1.8	2.4	8.3	5½	7
Germany	0.4	-3.2	6.6	4	3½
France(a)	3.9	0.1	5.2	3	3
United Kingdom(s)	0.1	-1.8	1.4	1	1½
Italy(a)	3.2	-3.5	6.6	2½	2
Canada	2.8	1.1	4.9	3	4½
All above countries	-0.6	-1.1	5.5	4½	4½
Other OECD countries	2.7	-0.5	2.9	2½	—
Total OECD	-0.1	-1.0	5.2	4	4

(a) GDP

TABLE 2
... AND THE NEW OECD ESTIMATES*

	1977 (2nd half)	1978 (1st half)	1978 (2nd half)
United States	4½	4½	5½
Germany	3	3½	2½
United Kingdom	3½	3	2½
Europe	2½	3	2½-2½
Total OECD	3½	4	3

* Subject to revision before inclusion in OECD Economic Outlook

Business Diary: Present tense • Honkers and Shankers

The taxman has stopped John Withney from making what for more than 200 budding tycoons would have been the Christmas present of their lives. Withney, Business Diary readers may remember, had planned to give away his profitable shopping business in Peterborough because, he said, he was fed up spending one day a week on government red tape.

The six people on the shortlist for receiving the firm—which employs 12, no debts, a full order book and a possible turnover this year of £200,000—have been told there's no give-away after all.

Withney has been told after months of argument with the Inland Revenue that even if he gives away the business he would have to pay £30,000 in gifts tax.

He has decided instead to hire somebody to do the paperwork for him—something he could have done months ago without raising the hopes of the 200 applicants only to dash them. But then there wouldn't have been all the lovely publicity, would there?

That inscrutable oriental institution, the Hongkong and Shanghai Banking Corporation, opened a new branch in London's Chinatown yesterday. The celebrations, in Gerrard Street, Soho, were marked by a lion dance, the traditional accompaniment to Chinese celebrations.

The "lion", which consisted of members of a Kung-Fu association, was energetic, but exceedingly polite: as the lion was cut by Mrs D. C. Bray, wife of the Hongkong Government commissioner in London, it was followed elaborately, and then



A lion in Soho: members of the Pak Mei Kung Fu Association whose lion dance opened a new branch of the Hongkong and Shanghai Bank in London yesterday.

posed for an admiring public atop a prosaic Metropolitan Police "No Waiting" code.

The branch is close to another Chinese bank, the Dao Heng, but Peter Hutson, resident executive director of the Honkers and Shankers in London, says that they found the Far East premises too small to accommodate the growth in Chinese business, and since Gerrard Street is the heart of London's Chinese—and restaurant—trade where much Chinese money is made, this was the place to open a further central London office.

The new branch expects to handle a lot of remittance trade, as the local Chinese queue up on payday to send their profits home.

As ministers and the Opposition yesterday wrangled over the terms of that Polish shipbuilding deal, there is news to

day of further British munificence towards shipbuilders in South Korea.

The Export Credits Guarantee Department is to back a \$9.7m loan by Lloyds Bank to a consortium of finance contractors placed by Hyundai, South Korea's rapidly growing shipbuilding colossus, with United Kingdom suppliers for goods and services involved in the establishment of a marine diesel engine building plant at Ulsan.

The new engine plant is aimed to open in 1980, when world overcapacity in shipbuilding will be at its worst. The Koreans will be helped thereby to make mincemeat out of engine builders as they have been doing of shipbuilders.

Professor Martin O'Donoghue, the brains behind the election-winning manifesto of the new Irish Fianna Fail Government, lately an economics pro-

fessor at Trinity College, Dublin, and now MP and Minister of Economic Planning and Development, appears relaxed and confident after six months in the job.

However, he has still to win over the many sceptics who believe his department doomed to failure. The new ministry is commonly compared to our own short-lived Department of Economic Affairs set up under Lord George-Brown in the 1960s.

O'Donoghue's main task is to produce a plan for the economy aimed at transferring Pianna Fail's election promises into reality. Drawing up plans is, of course, easier than making them work.

One weakness of the new department is that the power of control over budget still rests—with the Ministry of Finance. Worse, the ministry

has held on to all its best staff and many of those who have joined the new department make little secret of their primary allegiance to Finance.

Insiders ask whether O'Donoghue was right to choose Dr Noel Whelan to run the department. Whelan is not a Ministry of Finance man and is noted for ideas than for action. O'Donoghue may have misjudged the blocking power of the bureaucracy when appointing him.

The old banking slogan "our roots are in our branches" has a special meaning for Robin Herbert, who as the end of next year is to become chairman of Leopold Joseph Holdings.

Herbert, who is 43, is an amateur dendrologist—he likes trees and shrubs—and was recently reappointed deputy chairman of the Countryside Commission.

The chairmanship will allow him to continue as a director of the National Westminster. He is a member of the group which includes Louis Heymann and Prince Rupert Loewenstein and which acquired control of Joseph's merchant banking subsidiary in the early sixties.

Herbert will take over from Sir Hugh Weeks, 40 years his senior. Sir Hugh, who has been winding down a lone City career for some time, tells Business Diary that he hopes to write about "the lessons one has learnt".

The taste for the Gothic appears in many popular genres: records today is spreading to the people who sell them. A notice in one London record shop, we note, says: "Shoplifters will be chain-sawed".

THE CITY OF LONDON BUILDING SOCIETY

One Hundred and Fifteenth

Annual General Meeting

held on Monday 12th December 1977

The Chairman of the Board, Mr. I.G. Kennington summarised the main features of the results of the year's activities as under:

INTAKE OF SHARE AND DEPOSIT CAPITAL

£21,417,027 was received and £12,872,287 was repaid leaving £8,544,740 as the surplus.

PROFIT

This was £237,499 after Corporation Tax.

ADVANCES

£12,019,733 were advanced compared with £11,464,486 in 1976. The number of mortgages was 1,070 compared with 1,101 in 1976.

LIQUID ASSETS

Amount to £16,086,411 representing 26.5% of assets.

£9,500,000 is available now or within 7 days.

RESERVES Stand at 4.06% of net assets.

ASSETS £60,602,518 (£51,489,031 in 1976).

The Report and Accounts were adopted.

THE CITY OF LONDON BUILDING SOCIETY

34 London Wall, London EC2Y 5JD. Tel. Nos: 01-606 2525/6/7 and 01-588 0114 (5 lines)

Norman House, Theatre Street, Norwich NR2 1RG. Tel. No. Norwich 28333/4

33/35 Queen Square, Bristol BS1 4LU. Tel. Bristol 280981

Authorised investment for Trustees. Member of the Building Societies Association.

Salerooms and Antiques



8 King Street, St James's
London SW1Y 6QL Tel: 01-839 9060
Telex 916429 Telegrams CHRISTIART
London SW1

TODAY, TUESDAY, DECEMBER 13 at 10.30 a.m.
Miniatures and Objects of Vertu. The Properties of
Baron Harcourt-Tarnow and others. Catalogue 118 plates
75p.

TUESDAY, DECEMBER 13 at 10.30 a.m.
English Drawings and Watercolours. Catalogue 127
illustrations £1.15.

WEDNESDAY, DECEMBER 14 at 10.30 a.m.
Important Jewels. Catalogue (22 plates, including 2
in colour) £1.15.

WEDNESDAY, DECEMBER 14 at 10.30 a.m.
English and Foreign Silver. The Properties of the late
Mrs. Nora Prince-Littler and others. Catalogue (9
plates) 30p.

WEDNESDAY, DECEMBER 14 at 11 a.m. and 2.30 p.m.
Fine Japanese Works of Art. Catalogue (39 plates,
including 3 in colour) £1.80.

THURSDAY, DECEMBER 15 at 10.30 a.m.
English and Continental Oak, Pewter and Metalwork.
The Properties of Mrs. Constance Levy, Colonel William
Stirling and others. Catalogue (14 plates) 65p.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Fine Old Master Pictures. The Properties of the Lady
Elizabeth Randolph, Colonel William Stirling, A. London
Borough, Saint Dominic's Priory, London and others.
Catalogue (74 illustrations) £2.80.

MONDAY, DECEMBER 19 at 11 a.m.
Fine Renaissance Bronzes and Works of Art.
The Properties of The Lord Hyton, John Nolle, Esq.,
Colonel William Stirling and others. Catalogue (44
plates, including 3 in colour) £1.80.

MONDAY, DECEMBER 19 at 11 a.m.
English and Continental Ceramics. The Properties of
The late Lord Apsley of River and others. Catalogue
(17 plates, including 1 in colour) 75p.

TUESDAY, DECEMBER 20 at 11 a.m.
Russian and Greek Icons. Catalogue (9 plates) 50p.

**SALES OVERSEAS
IN AMERICA
AT 502 PARK AVENUE, NEW YORK**

WEDNESDAY, DECEMBER 14 at 10.30 a.m. and 2.30 p.m.
Tribal Art: African, Oceanic, American Indian and
Pre-Columbian Art. Catalogue £2.50.

CHRISTIE'S REVIEW OF THE SEASON 1977.
This is now available in bookshops, or from
Christie's, price £12.50 post paid. All applications
to John Herbert, Public Relations Director.

Catalogue prices are all post paid. All sales subject
to the conditions printed in the catalogues.

South Kensington
85 Old Brompton Road
London SW7 3JS Tel: 01-581 2231

TUESDAY, DECEMBER 13 at 2 p.m.
Cigarette Cards, Postcards, Bazar Prints, Stencils and
Associated Material. Catalogue 50p.

WEDNESDAY, DECEMBER 14 at 10.30 a.m.
Furniture, Carpets and Objects of Art.

WEDNESDAY, DECEMBER 14 at 2 p.m.
English and Continental Pictures.

THURSDAY, DECEMBER 15 at 10.30 a.m.
Oriental Paintings, Prints and Scrolls.

THURSDAY, DECEMBER 15 at 2 p.m.
Oriental Ceramics and Works of Art.

THURSDAY, DECEMBER 15 at 2 p.m.
Costume, Textiles, Embroidery and Fans.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Furs.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Printed Books.

MONDAY, DECEMBER 19 at 10.30 a.m.
Old and Modern Silver.

MONDAY, DECEMBER 19 at 2 p.m.
Watercolours, Drawings and Prints.

TUESDAY, DECEMBER 20 at 10.30 a.m.
English and Continental Glass.

TUESDAY, DECEMBER 20 at 2 p.m.
Old and Modern Jewellery.

TUESDAY, DECEMBER 20 at 2 p.m.
Gramophone Records.

Catalogues 35p each post paid unless otherwise stated.
Late night viewing on Mondays until 7 p.m.

Edinburgh Office: Michael Clayton,
5 Wemyss Place, Edinburgh EH3 6DL
Tel: 031 225 4777

York Office: Nicholas Brand-Ball,
40 Southgate York YO3 1BZ
Tel: (0904) 50911

North-West Office: Henry Bowring,
Whitby, North Yorkshire, YO21 2AA
Tel: 01439 51181

West Midlands Office: Michael Thompson,
Stanley Hall, Birmingham, B1 1AA
Tel: 021 633 0181

West Country Office: Richard de Pels,
Monmouth Lodge, Tisbury, Wiltshire, SN13 9JL
Tel: 01264 51181

Irish Office: Desmond Fitz-Gerald,
The Lifford, 110, The Lifford, Dublin 2
Tel: 01 454 4444

40 Pembroke Road Dublin 2
Tel: Dublin 01 454 4444

London & Suburban property
CHELSEA FULHAM BORDER
SUPERB HOUSE
Four bedrooms, full tiled
bath, large garden, close to
tube, near park, and
decorated to high standard.
£55,000
01-239 2209

PROPERTY TO LET
WILTSHIRE, cottage for 2 persons,
one room for rent, and some
garden, close to town,
470 of Box 2070 J, The Times.

Farms & Smallholdings
20 ACRE farming property for sale
in Dorset, near Bournemouth.
Tel: 01204 51181

Mortgages & Finance
BIGGER & BETTER Mortgages, 100
Borough Road, London E10 5JL
Tel: 01-483 2541

Sotheby's



Monday 19th December at 11 am
A miniature of a young girl, by George Eggleston,
c. 1700, 6 cm.

SOOTHEY PARKE BERNET & CO.
34-35 NEW BOND STREET,
LONDON W1A 2AA. TEL: (01) 493 8080

Tuesday, 13th December at 10.30 am and 2.30 pm
FINE CHINESE AND JAPANESE CERAMICS,
BRONZES AND WORKS OF ART
including the property of the Rt. Hon. the Viscount
Lauries and Mr. Henri E. Smeyers, of Weert,
The Netherlands. Cat. 100 plates, 10 in colour £1-50

Tuesday, 13th December at 11 am
VALUABLE AUTOGRAPH LETTERS, LITERARY
MANUSCRIPTS AND HISTORICAL DOCUMENTS
including the property of His Grace the Duke of
Manchester, great-grand-nephew of Jane Austen and a
great-grand-niece of Benjamin Disraeli
Cat. 16 plates £2

Tuesday, 13th December at 11 am and 2.30 pm
ANTIQUITIES AND TRIBAL ART
including the property of Mrs. Stella Pitt-Rivers, from
the Pitt-Rivers Museum, Dorset and
Mr. Henri E. Smeyers, of Weert, The Netherlands
Cat. 163 plates £1-70

Wednesday, 14th December at 11 am
WESTERN MANUSCRIPTS AND MINIATURES
including the property of Lord Callaghan, The Bristol
Baptist College and The Plymouth Proprietary Library
Cat. 9 plates £1-50

Wednesday, 14th December at 11 am
IMPORTANT OLD MASTER PAINTINGS
including the property of Lady Glenconner, the Barons
de Mollart and Count Stolberg-Stolberg
Cat. 110 plates, 9 in colour £2

Wednesday, 14th December at 2.30 pm
FINE OLD MASTER PAINTINGS
including the property of Lady Inglis and St. James'
Church, Milton, Hampshire. Cat. 43 plates 70p

Thursday, 15th December at 10 am
JEWELS
Cat. 18 illustrations, 2 in colour £1-20

Thursday, 15th December at 10.30 am
MIDWINTER RENAISSANCE AND BAROQUE
WORKS OF ART including a hitherto unrecorded
Carolingian Ivory Plaque
Cat. 133 illustrations, 9 in colour £1-85

Thursday, 15th December at 10.30 am
IMPORTANT 19TH CENTURY
AND MODERN PRINTS
Cat. 36 illustrations, 1 in colour £1-45

Friday, 16th December at 10.30 am and 2.30 pm
ANCIENT, ENGLISH AND FOREIGN COINS IN
GOLD, SILVER AND BRASS, INCLUDING
COINAGE OF THE MIDDLE AGES, ROMAN
COINAGE AND BANKNOTES. Cat. 14 plates 50p

Friday, 16th December at 11 am
ENGLISH OAK FURNITURE, TAPESTRIES AND
ORIENTAL RUGS AND CARPETS
including the property of Lady Elizabeth Clyde
Cat. 21 illustrations £1-50

Monday, 19th December at 11 am
FINE RENAISSANCE BRONZES AND WORKS OF ART.
The Properties of The Lord Hyton, John Nolle, Esq.,
Colonel William Stirling and others. Catalogue (44
plates, including 3 in colour) £1.80.

MONDAY, DECEMBER 19 at 11 a.m.
English and Continental Ceramics. The Properties of
The late Lord Apsley of River and others. Catalogue
(17 plates, including 1 in colour) 75p.

TUESDAY, DECEMBER 20 at 11 a.m.
Russian and Greek Icons. Catalogue (9 plates) 50p.

**SALES OVERSEAS
IN AMERICA
AT 502 PARK AVENUE, NEW YORK**

WEDNESDAY, DECEMBER 14 at 10.30 a.m. and 2.30 p.m.
Tribal Art: African, Oceanic, American Indian and
Pre-Columbian Art. Catalogue £2.50.

CHRISTIE'S REVIEW OF THE SEASON 1977.
This is now available in bookshops, or from
Christie's, price £12.50 post paid. All applications
to John Herbert, Public Relations Director.

Catalogue prices are all post paid. All sales subject
to the conditions printed in the catalogues.

South Kensington
85 Old Brompton Road
London SW7 3JS Tel: 01-581 2231

TUESDAY, DECEMBER 13 at 2 p.m.
Cigarette Cards, Postcards, Bazar Prints, Stencils and
Associated Material. Catalogue 50p.

WEDNESDAY, DECEMBER 14 at 10.30 a.m.
Furniture, Carpets and Objects of Art.

WEDNESDAY, DECEMBER 14 at 2 p.m.
English and Continental Pictures.

THURSDAY, DECEMBER 15 at 10.30 a.m.
Oriental Paintings, Prints and Scrolls.

THURSDAY, DECEMBER 15 at 2 p.m.
Oriental Ceramics and Works of Art.

THURSDAY, DECEMBER 15 at 2 p.m.
Costume, Textiles, Embroidery and Fans.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Furs.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Printed Books.

MONDAY, DECEMBER 19 at 10.30 a.m.
Old and Modern Silver.

MONDAY, DECEMBER 19 at 2 p.m.
Watercolours, Drawings and Prints.

TUESDAY, DECEMBER 20 at 10.30 a.m.
English and Continental Glass.

TUESDAY, DECEMBER 20 at 2 p.m.
Old and Modern Jewellery.

TUESDAY, DECEMBER 20 at 2 p.m.
Gramophone Records.

Catalogues 35p each post paid unless otherwise stated.
Late night viewing on Mondays until 7 p.m.

Edinburgh Office: Michael Clayton,
5 Wemyss Place, Edinburgh EH3 6DL
Tel: 031 225 4777

York Office: Nicholas Brand-Ball,
40 Southgate York YO3 1BZ
Tel: (0904) 50911

North-West Office: Henry Bowring,
Whitby, North Yorkshire, YO21 2AA
Tel: 01439 51181

West Midlands Office: Michael Thompson,
Stanley Hall, Birmingham, B1 1AA
Tel: 021 633 0181

West Country Office: Richard de Pels,
Monmouth Lodge, Tisbury, Wiltshire, SN13 9JL
Tel: 01264 51181

Irish Office: Desmond Fitz-Gerald,
The Lifford, 110, The Lifford, Dublin 2
Tel: 01 454 4444

40 Pembroke Road Dublin 2
Tel: Dublin 01 454 4444

London & Suburban property
CHELSEA FULHAM BORDER
SUPERB HOUSE
Four bedrooms, full tiled
bath, large garden, close to
tube, near park, and
decorated to high standard.
£55,000
01-239 2209

PROPERTY TO LET
WILTSHIRE, cottage for 2 persons,
one room for rent, and some
garden, close to town,
470 of Box 2070 J, The Times.

Farms & Smallholdings
20 ACRE farming property for sale
in Dorset, near Bournemouth.
Tel: 01204 51181

Mortgages & Finance
BIGGER & BETTER Mortgages, 100
Borough Road, London E10 5JL
Tel: 01-483 2541

Salerooms and Antiques
8 King Street, St James's
London SW1Y 6QL Tel: 01-839 9060
Telex 916429 Telegrams CHRISTIART
London SW1

CHRISTIE'S REVIEW OF THE SEASON 1977.
This is now available in bookshops, or from
Christie's, price £12.50 post paid. All applications
to John Herbert, Public Relations Director.

Catalogue prices are all post paid. All sales subject
to the conditions printed in the catalogues.

South Kensington
85 Old Brompton Road
London SW7 3JS Tel: 01-581 2231

TUESDAY, DECEMBER 13 at 2 p.m.
Cigarette Cards, Postcards, Bazar Prints, Stencils and
Associated Material. Catalogue 50p.

SOOTHEY PARKE BERNET & CO.
34-35 NEW BOND STREET,
LONDON W1A 2AA. TEL: (01) 493 8080

Tuesday, 13th December at 10.30 am and 2.30 pm
FINE CHINESE AND JAPANESE CERAMICS,
BRONZES AND WORKS OF ART
including the property of the Rt. Hon. the Viscount
Lauries and Mr. Henri E. Smeyers, of Weert,
The Netherlands. Cat. 100 plates, 10 in colour £1-50

Tuesday, 13th December at 11 am
VALUABLE AUTOGRAPH LETTERS, LITERARY
MANUSCRIPTS AND HISTORICAL DOCUMENTS
including the property of His Grace the Duke of
Manchester, great-grand-nephew of Jane Austen and a
great-grand-niece of Benjamin Disraeli
Cat. 16 plates £2

Tuesday, 13th December at 11 am and 2.30 pm
ANTIQUITIES AND TRIBAL ART
including the property of Mrs. Stella Pitt-Rivers, from
the Pitt-Rivers Museum, Dorset and
Mr. Henri E. Smeyers, of Weert, The Netherlands
Cat. 163 plates £1-70

Wednesday, 14th December at 11 am
WESTERN MANUSCRIPTS AND MINIATURES
including the property of Lord Callaghan, The Bristol
Baptist College and The Plymouth Proprietary Library
Cat. 9 plates £1-50

Wednesday, 14th December at 11 am
IMPORTANT OLD MASTER PAINTINGS
including the property of Lady Glenconner, the Barons
de Mollart and Count Stolberg-Stolberg
Cat. 110 plates, 9 in colour £2

Wednesday, 14th December at 2.30 pm
FINE OLD MASTER PAINTINGS
including the property of Lady Inglis and St. James'
Church, Milton, Hampshire. Cat. 43 plates 70p

Thursday, 15th December at 10 am
JEWELS
Cat. 18 illustrations, 2 in colour £1-20

Thursday, 15th December at 10.30 am
MIDWINTER RENAISSANCE AND BAROQUE
WORKS OF ART including a hitherto unrecorded
Carolingian Ivory Plaque
Cat. 133 illustrations, 9 in colour £1-85

Thursday, 15th December at 10.30 am
IMPORTANT 19TH CENTURY
AND MODERN PRINTS
Cat. 36 illustrations, 1 in colour £1-45

Friday, 16th December at 10.30 am and 2.30 pm
ANCIENT, ENGLISH AND FOREIGN COINS IN
GOLD, SILVER AND BRASS, INCLUDING
COINAGE OF THE MIDDLE AGES, ROMAN
COINAGE AND BANKNOTES. Cat. 14 plates 50p

Friday, 16th December at 11 am
ENGLISH OAK FURNITURE, TAPESTRIES AND
ORIENTAL RUGS AND CARPETS
including the property of Lady Elizabeth Clyde
Cat. 21 illustrations £1-50

Monday, 19th December at 11 am
FINE RENAISSANCE BRONZES AND WORKS OF ART.
The Properties of The Lord Hyton, John Nolle, Esq.,
Colonel William Stirling and others. Catalogue (44
plates, including 3 in colour) £1.80.

MONDAY, DECEMBER 19 at 11 a.m.
English and Continental Ceramics. The Properties of
The late Lord Apsley of River and others. Catalogue
(17 plates, including 1 in colour) 75p.

TUESDAY, DECEMBER 20 at 11 a.m.
Russian and Greek Icons. Catalogue (9 plates) 50p.

**SALES OVERSEAS
IN AMERICA
AT 502 PARK AVENUE, NEW YORK**

WEDNESDAY, DECEMBER 14 at 10.30 a.m. and 2.30 p.m.
Tribal Art: African, Oceanic, American Indian and
Pre-Columbian Art. Catalogue £2.50.

CHRISTIE'S REVIEW OF THE SEASON 1977.
This is now available in bookshops, or from
Christie's, price £12.50 post paid. All applications
to John Herbert, Public Relations Director.

Catalogue prices are all post paid. All sales subject
to the conditions printed in the catalogues.

South Kensington
85 Old Brompton Road
London SW7 3JS Tel: 01-581 2231

TUESDAY, DECEMBER 13 at 2 p.m.
Cigarette Cards, Postcards, Bazar Prints, Stencils and
Associated Material. Catalogue 50p.

WEDNESDAY, DECEMBER 14 at 10.30 a.m.
Furniture, Carpets and Objects of Art.

WEDNESDAY, DECEMBER 14 at 2 p.m.
English and Continental Pictures.

THURSDAY, DECEMBER 15 at 10.30 a.m.
Oriental Paintings, Prints and Scrolls.

THURSDAY, DECEMBER 15 at 2 p.m.
Oriental Ceramics and Works of Art.

THURSDAY, DECEMBER 15 at 2 p.m.
Costume, Textiles, Embroidery and Fans.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Furs.

FRIDAY, DECEMBER 16 at 10.30 a.m.
Printed Books.

MONDAY, DECEMBER 19 at 10.30 a.m.
Old and Modern Silver.

MONDAY, DECEMBER 19 at 2 p.m.
Watercolours, Drawings and Prints.

TUESDAY, DECEMBER 20 at 10.30 a.m.
English and Continental Glass.

TUESDAY, DECEMBER 20 at 2 p.m.
Old and Modern Jewellery.

TUESDAY, DECEMBER 20 at 2 p.m.
Gramophone Records.

Catalogues 35p each post paid unless otherwise stated.
Late night viewing on Mondays until 7 p.m.

Edinburgh Office: Michael Clayton,
5 Wemyss Place, Edinburgh EH3 6DL
Tel: 031 225 4777

York Office: Nicholas Brand-Ball,
40 Southgate York YO3 1BZ
Tel: (0904) 50911

North-West Office: Henry Bowring,
Whitby, North Yorkshire, YO21 2AA
Tel: 01439 51181

West Midlands Office: Michael Thompson,
Stanley Hall, Birmingham, B1 1AA
Tel: 021 633 0181

West Country Office: Richard de Pels,
Monmouth Lodge, Tisbury, Wiltshire, SN13 9JL
Tel: 01264 51181

Irish Office: Desmond Fitz-Gerald,
The Lifford, 110, The Lifford, Dublin 2
Tel: 01 454 4444

40 Pembroke Road Dublin 2
Tel: Dublin 01 454 4444

London & Suburban property
CHELSEA FULHAM BORDER
SUPERB HOUSE
Four bedrooms, full tiled
bath, large garden, close to
tube, near park, and
decorated to high standard.
£55,000
01-239 2209

PROPERTY TO LET
WILTSHIRE, cottage for 2 persons,
one room for rent, and some
garden, close to town,
470 of Box 2070 J, The Times.

Farms & Smallholdings
20 ACRE farming property for sale
in Dorset, near Bournemouth.
Tel: 01204 51181

Mortgages & Finance
BIGGER & BETTER Mortgages, 100
Borough Road, London E10 5JL
Tel: 01-483 2541

Salerooms and Antiques
8 King Street, St James's
London SW1Y 6QL Tel: 01-839 9060
Telex 916429 Telegrams CHRISTIART
London SW1

CHRISTIE'S REVIEW OF THE SEASON 1977.
This is now available in bookshops, or from
Christie's, price £12.50 post paid. All applications
to John Herbert, Public Relations Director.

Catalogue prices are all post paid. All sales subject
to the conditions printed in the catalogues.

South Kensington
85 Old Brompton Road
London SW7 3JS Tel: 01-581 2231

TUESDAY, DECEMBER 13 at 2 p.m.
Cigarette Cards, Postcards, Bazar Prints, Stencils and
Associated Material. Catalogue 50p.

SOOTHEY PARKE BERNET & CO.
34-35 NEW BOND STREET,
LONDON W1A 2AA. TEL: (01) 493 8080

Tuesday, 13th December at

